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## Customizing a Patchwork Quilt: Consolidating Co-operative Studies Within the University World : In Memoriam Professor Ian MacPherson

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# CUSTOMIZING A PATCHWORK QUILT: CONSOLIDATING CO-OPERATIVE STUDIES WITHIN THE UNIVERSITY WORLD

In Memoriam Professor Ian MacPherson

HAGEN HENRÿ, PEKKA HYTINKOSKI AND TYTTI KLÉN (EDS.)





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Photo Tytti Klén

Professor Ian MacPherson

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# FOREWORD

*This book is dedicated to the late Professor Ian MacPherson.*

Its title borrows from the keynote speech he gave on October 19, 2012 at the University of Helsinki. The speech opened the main part of a seminar on “Osuustoiminta yliopistolliseen tutkimukseen ja opetukseen. Cooperatives - from Ignorance to Knowledge”.

This is not the place to pay tribute to Ian MacPherson. Such tribute would also come strangely late. What is more, I am not qualified to adequately assess Ian’s contribution to cooperative development, in general, and to cooperative studies, in particular. I limit myself therefore to a few rather personal remarks.

The 1995 International Cooperative Alliance Statement on the co-operative identity (ICA Statement) would neither read as it does, nor would it be implemented as it is without Ian. No actor in the field of cooperatives ignores the place and role of the ICA Statement. Ian’s contribution to cooperative studies worldwide, including in Finland,<sup>1</sup> has been as effective as it has been covert. This is not to say that Ian was particularly quiet. Who does not remember his loud laughing, more often than not about his own good jokes? But he made no fuss about his immense knowledge. He shared it with whom ever. Two lines in an e-mail sufficed to make Ian participate in the seminar, which led to this publication. He paid his way to Europe in order to not overstretch our limited budget. He arrived at night from Canada, had supper with us and delivered a memorable speech (cf. Part II) the next morning as if such things as time lags did not exist!

Ian and I had met on numerous occasions before. In Marburg/Germany, in Chiang Mai/Thailand, in Helsinki and Mikkeli, in Kuala Lumpur, in Geneva etc.. Once he presented a paper of mine to a conference which I could not attend. And, of course, we had been in contact in writing over years. These were always great learning experiences for me. Humble as he was, Ian made his interlocutors confident. That helped me when I started to work on cooperative law, at a time when most of my colleagues considered this as a loss of sense of good judgement.

Equally memorable are the more social encounters with Ian: sharing meals, walking the stands of the night market in Chiang Mai, glasses of beer, stronger stuff in the old town of Geneva etc.. When I introduced my colleagues to Ian on the eve of the seminar I joked that Ian was one of those few who like lawyers. In his inimitable humor he burst out in laughter and said: “Yes, true, but I assure you this is the only perversity I have!” The stage was set for a relaxed evening and an equally relaxed seminar.

The seminar was meant as a contribution to the International Year of Cooperatives 2012. Its main objective was to convince those in charge of the curricula at the universities and in public administration to include the subject of cooperatives in the education curricula. Neither did the organizers of the seminar, who are also the editors of this book, then imagine that the neglect of cooperative studies over several decades in Finland, as elsewhere, could be repaired by the stroke of a seminar. Nor do they imagine this now. They nevertheless continue to hope that this collection of papers helps to “[customize that] patchwork quilt” to which Ian MacPherson referred in his keynote address to the seminar.

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<sup>1</sup> For more details concerning Finland cf. the contribution by Hytinkoski and de Poorter, as well as that of Köppä in Part III of this book.



The publication was held back by a number of reasons. Ian MacPherson, the main contributor to the seminar, passed away one year after the seminar. We are indebted to his family who retrieved the manuscript, however incomplete. One contributor to the seminar fell seriously ill. Only three <sup>2</sup> out of six contributors to the seminar could be convinced to submit their papers for publication. This did not justify a publication. Therefore the editors decided to include a number of other papers, close to the overall subject of the seminar. The scope the themes covered by this publication is therefore considerably wider than the scope of the seminar (cf. Henry in Part I of this book and Background Note to the Seminar, Annex 3). We hope that this mix of seminar papers and additional contributions furthers the goal of the seminar, which was to build a case for the reintroduction of cooperative studies in academia.

Part I contains preliminaries to the seminar with a message by the Minister of Education and an opening speech by the then Vice-Rector and now Rector of the University of Helsinki. The articles in Part II develop general ideas about education and cooperatives. Part III deals with cooperative studies at universities and cooperatives in universities, especially student cooperatives, whereas Part IV gives examples of cooperatives in universities of applied sciences and in schools. Finally, Part V presents a case of cooperative training, mainly through cooperative organizations.

We are indebted to the authors and apologize for the delay in publishing their work.

We also acknowledge the involvement in the seminar of Professor Pirjo Siiskonen, then Deputy-director of the Ruralia Institute of the University of Helsinki, who delivered the closing remarks at the end of the seminar. The University of Helsinki and Pellervo-Seura r.y., the Confederation of Finnish Cooperatives supported the seminar. We thank them as well. Numerous colleagues at the Ruralia Institute helped behind the scenes of the seminar. Without minimizing the help of others, we would like to especially thank Elina Häkkinen, Sirpa Nupponen and Sirpa Piskonen. Jaana Huhtala gave the text a readable form. We thank her for that.

Opinions expressed by the authors are not necessarily shared by the editors.

Kauniainen, October 2015

Hagen Henry

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2 Cf. contributions by Henry, MacPherson and Schulte-Tenckhoff.

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**PART I**

**PRELIMINARIES**



# LETTER BY THE MINISTER OF EDUCATION OF THE REPUBLIC OF FINLAND

JUKKA GUSTAFSSON

Hyvät osuustoiminnan tutkijat, opiskelijat ja hallinnonedustajat,

Yhdistyneiden kansakuntien yleiskokous on julistanut vuoden 2012 kansainväliseksi osuustointavuodeksi korostaen osuuskuntien panosta sosioekonomiseen kehitykseen, erityisesti niiden vaikutusta köyhyyden vähentämiseen, työpaikkojen luomiseen ja sosiaaliseen integraatioon. Kaikkia jäsenvaltioita ja keskeisiä sidosryhmiä kannustetaan edistämään osuustointia ja lisäämään tietoisuutta tämän vaikutuksista sosiaaliseen ja taloudelliseen kehitykseen. Osuustointamalli nähdään eräänä vaihtoehtoisena keinona liiketoiminnan harjoittamisessa ja sosioekonomisen kehityksen edistämisessä.

Hallituksen tavoitteena on avoin, oikeudenmukainen ja rohkea Suomi. Kehittämisen erityisenä painopisteenä ovat köyhyyden, eriarvoisuuden ja syrjäytymisen vähentäminen, julkisen talouden vakauttaminen sekä kestävän talouskasvun, työllisyyden ja kilpailukyvyyn vahvistaminen. On nähtävissä, että osuustoiminnan opetuksella ja tutkimuksella on annettavaa myös näihin kansallisiin haasteisiin vastaamisessa.

Tutkimukset ovat osoittaneet, että sosioekonomisiin haasteisiin on vastattu aiemminkin osuustointinnallisin periaattein. Osuustointinnalla on ollut merkitystä Suomessa erityisesti edellisen vuosisadan alussa taloudellisen valistuksen levittäjänä maaseudun ja kaupunkien köyhimpien kansanosien aseman parantamiseksi omatoimisen keskinäisen yhteistyön keinoin. Osuustointinnallinen toimintatapa on osaltaan ol-

lut vaikuttamassa myös suomalaisen yhteiskunta- ja aluerakenteen kehitykseen.

Viime vuosina osuustoiminnan tutkimus on aktivoitunut korkeakouluissa hienoisen suvontovaiheen jälkeen. Vuonna 2005 perustettu Ruralia-instituutti koordinoima Co-op Network Studies on osaltaan ollut aktivoimassa monitieteistä osuustoiminnan ja yhteisötalouden tutkimusta ja opetusta. Tämä on samalla merkinnyt aiempaa laaja-alaisempaa ja monitieteisempää lähestymistapaa, uusien opetusmenetelmien innovointia ja verkko-opetuksen monipuolista hyödyntämistä yhdistäen osuustoiminnan asiantuntijat ja siitä kiinnostuneet opiskelijat.

Yliopistoissa ja ammattikorkeakouluissa tapahtuvalla opetuksella ja tutkimuksella on keskeinen rooli osuustointatietoisuuden lisäämisen edistämisessä yhteiskunnassa yleensä ja erityisesti yritysten ja kansalaistoiminnan piirissä. Toimintaympäristön nopeassa muutoksessa meidän tulee huolehtia osuustoiminnan parhaiden perinteiden vaalimisesta, mutta samalla erityisesti opetuksessa ja tutkimuksessa olla uudistumiskykyisiä. Tämän pitää luonnollisestikin tapahtua tiiviissä yhteistyössä eri toimijoiden kesken.

Hyvää ja osuustointainnovatiivista seminaaria kaikille!

Helsingissä 18.10.2012

Jukka Gustafsson  
Opetusministeri



# CO-OPERATIVES FOR A BETTER WORLD

JUKKA KOLA

It is my pleasure and honour to warmly welcome you all to this topical and important seminar on “Osuustoiminta yliopistolliseen tutkimukseen ja opetukseen / Cooperatives - From Ignorance to Knowledge”, organized by the University of Helsinki and its Ruralia Institute.

During these economic and financial crises all over the world, and especially here in Europe, the meaning and possibilities of co-operatives have reached new heights. Or at least they should have done so. Indeed, we finally should be able to build more sustainable development and growth, with a much longer perspective, than what we have been doing in recent years and decades. Short-sighted, quick-profit growth have not helped societies and people world-wide to improve their living standards and conditions. Only few “fortunate ones” have improved their situation, as billions have suffered from these drastic economic changes. The millennium development goals (MDGs) to drastically reduce poverty in the world have not and cannot be achieved in the way we globally, and often also locally, run things. It is really sad to see still today that almost one billion people are suffering from hunger and malnutrition, the reason being most often and straightforwardly persistent poverty.

Something new has to be introduced and quickly applied to change the detrimental trend. Or, after all, perhaps it actually means that something “old” has to be invented and found again. This could be co-operatives, in all of their “old” and new forms. Co-operative enterprises - big and small, economic and social - are needed more than ever to alleviate the existing, and unfortunately even growing, problems and distortions in our societies and economies.

This International Year of Co-operatives of the United Nations emphasises this need, globally. Co-operatives could be the correct and concrete means for many local communities to improve their situation, also in tough times of general economic and financial problems. This way we can reduce poverty, create jobs and im-

prove social integration. Consequently, this development can also improve the overall economic situation and competitiveness of nations. The key values of sustainable growth (over generations), democracy, transparency and openness, and equal opportunities have to be strengthened world-wide. The United Nations has chosen well to devote this year of 2012 for co-operatives globally.

It is also clearer than ever that there is an acute, huge need for more research and education on co-operatives. We have to know better, deeper and more comprehensively, what kind of co-operative actions and activities are the most suitable, productive and also efficient in different conditions of our local community, country, the EU, and the world. We must produce more high-quality, robust research results in order to have a true, long-lasting impact on co-operative development, whether bigger or smaller enterprises or other type of co-operative activities, e.g. community development.

Our teaching at the universities has to be based on high-quality, topical research. Moreover, in both research and teaching, we have to be multi- and/or interdisciplinary, which fits well cooperative studies and research. Only this way we familiarize our young students with and create their interest in cooperatives, and not only in studies and research, but also as a means to develop our societies and communities, locally and globally.

The University of Helsinki has invested in both cooperative studies and research in different disciplines. In teaching, the Ruralia Institute in Mikkeli has been producing, developing and coordinating the Co-op Network Studies Program, in which so far eight<sup>1</sup> Finnish universities participate by offering through this network co-operative courses. This network has also already for a long time represented and developed new forms and technologies of teaching, e.g. eLearn-

<sup>1</sup> Note by editors: now ten Finnish universities are partners of the Co-op Network Studies Program.



ing. We sincerely want to thank the Ruralia Institute for this pioneering, leading work in cooperative studies in Finland.

The University of Helsinki also wants to express its great gratitude to research director Hagen Henrÿ and all other organisers of this seminar. This kind of events does not take place by itself, but requires hard work of many people. We are happy and proud to have this type of people in our academic society.

During this full-day seminar, we hope to provide you, dear participants, with high-quality, thought-provoking presentations and active,

productive discussions based on the presentations and other inputs generated and developed further by all participants. We all want to warmly thank our international and Finnish distinguished speakers: you are the strong backbone of the success for this seminar.

To top-up the seminar in the late afternoon, I invite you all to the Rector's reception, where we can continue our lively, co-operative discussions in more open, informal settings with good food and refreshments.

Enjoy and take advantage of this special seminar!

# COOPERATIVES. FROM IGNORANCE TO KNOWLEDGE<sup>1</sup>

HAGEN HENRÝ

## I INTRODUCTION

In 1991 Professor Hans-H. Münkner, the well-known specialist on cooperative law, called me and suggested that I should make a presentation on cooperative law. I realized that I had lived in several countries famous for their cooperatives, but that my formal education there had been bare of any reference to cooperatives, and that I had been a member of two cooperatives for more than 20 years by that time without knowing what that meant.

One billion people around the world, members of cooperatives of all sizes and in all sectors,<sup>2</sup> more than 7 million members in some 4200 cooperatives in Finland alone, disappeared not only from the textbooks,<sup>3</sup> but also from the public awareness as to their economic, social and political position, impact and role. The reasons for this are multi-facetted. Dealing with them would be a Herculean task, if one were to take it on. My Finnish colleagues turned the title of my background note to this seminar<sup>4</sup> “Cooperatives – from Ignorance to Knowledge” into “Osuustoiminta yliopistolliseen tutkimukseen ja opetukseen”, i.e. “Cooperative Cooperation into the Research and Teaching Agendas”. This is a considerable linguistic improvement and an intelligent way to not let the Herculean task of integrating cooperatives into the research and teaching curricula become reason for resignation. Indeed, you cannot know, and even less understand, what you are not trained to know. When preparing the seminar, we started from the assumption

that we need cooperatives and therefore we need to know about them.

The seminar is part of the celebration of the International Year of Cooperatives (IYC) 2012. The Declaration of the IYC by the General Assembly of the United Nations in 2009 emphasizes the importance of research and education.<sup>5</sup> The international instruments on which this Declaration directly or indirectly builds, the most relevant being the 1995 International Cooperative Alliance Statement on the Co-operative Identity (ICA Statement),<sup>6</sup> the 2001 United Nations Guidelines aimed at creating a supportive environment for the development of cooperatives,<sup>7</sup> and especially the International Labour Organization (ILO) Promotion of Cooperatives Recommendation, 2002 (ILO R. 193),<sup>8</sup> call upon all actors to integrate the subject of cooperatives into the education and training curricula at all levels of the education and training system.<sup>9</sup>

The scope of the seminar is not as wide as this call suggests. The seminar is not about cooperative education in schools, however necessary and successful it already is in Finland.<sup>10</sup> It is not about special cooperative studies and teaching, how-

1 The text is based on my introductory words to the Seminar on “Osuustoiminta yliopistolliseen tutkimukseen ja opetukseen. Cooperatives – from Ignorance to Knowledge”, held on October 19, 2012 at the University of Helsinki.

2 Cf. International Cooperative Alliance (ICA) web-page at: <http://ica.coop/en/directory/members>. Visited 21.7.2015.

3 Cf. Kalmi, Panu, The Disappearance of Co-operatives from Economics Textbooks, in: Cambridge Journal of Economics 2007, 31(4), 625-647.

4 Cf. Annex 3

5 UN Res. A/RES/64/136, Paragraph 6.

6 <http://2012.coop/en/what-co-op/co-operative-identity-values-principles>

7 UN document A/RES/54/123 and A/RES/56/114 (A/56/73-E/2001/68; Res/56).

8 ILO Recommendation 193 concerning the promotion of cooperatives, available at: [www.ilo.org/dyn/normlex/en/f?p=NORMLEX\\_PUB:12100:0:NO:12100:P12100\\_INSTRUMENT\\_ID:312531:NO](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEX_PUB:12100:0:NO:12100:P12100_INSTRUMENT_ID:312531:NO)

9 5<sup>th</sup> Principle; Para. 17, 20 et passim; and 8.(1)(f) respectively. In my opinion, ILO R. 193 is legally binding. Cf. Henrý, Hagen, Public International Cooperative Law: The International Labour Organization Promotion of Cooperatives Recommendation, 2002, in: International Handbook of Cooperative Law, ed. by Dante Cracogna, Antonio Fici and Hagen Henrý, Heidelberg: Springer 2013, 65-88. Finland was closely involved in the elaboration of this Recommendation; all Finnish delegates to the International Labour Conference which adopted the Recommendation voted in its favor (cf. <http://www.ilo.org/public/english/standards/relm/ilc/ilc90/pdf/pr-23vote.pdf>).

10 I refer especially to the work of Professor Jaana Seikkula-Leino and Dr. Eliisa Troberg, who participated in the seminar.

ever necessary, successful and unique they are in Finland, as Professor Jukka Kola pointed out in his opening address to the seminar.<sup>11</sup> The Ruralia Institute of the University of Helsinki produces, coordinates and develops an internet-based program on cooperatives, in which ten Finnish universities participate.<sup>12</sup> I would also like to mention that the University of Helsinki has an Advisory board on cooperative research and education.<sup>13</sup> To my knowledge, this is a unique body.

The seminar is to add to these efforts by discussing cooperatives/cooperative cooperation as a cross-cutting issue in research and education at university level. Finland might play an exemplary role also in this respect in the future.

The subject of the seminar has three peculiarities. Firstly, the subject is peculiar as it signifies at the same time an institution and a way (methodos) of thinking/doing/behaving. Secondly, the subject is peculiar as there is a heightened tension between future oriented research, on which teaching must be based, on the one side, and research and teaching, which necessarily also anchor in the past, on the other side. The tension is heightened because cooperatives generate and regenerate their central feature, joint self-help, through experience. By its nature, experience relates to the past. This needs to be taken into account when trying to rejuvenate the idea of cooperative enterprises. Thirdly, the subject is peculiar as this central feature, joint self-help, and the very method of teaching it, are merged. The opening sentence of Carlo Zuluai Londoño's book entitled "Teaching Solidarity Law: Approximation to an Experience" may explain this last point. It reads: "It is difficult to teach if one does not want to impose a certain thinking. People feel insecure, if not told what they should do."<sup>14</sup> This is enlightenment pure!<sup>15</sup>

## II JOINT SELF-HELP THROUGH COOPERATIVE ENTERPRISES. PAST WITHOUT FUTURE OR FUTURE WITH A STRONG PAST?

The objective of the seminar makes only sense, if joint self-help should and can be operationalized through cooperatives also in the future. In attempting to answer this question I limit the term "cooperatives" to "cooperative enterprises", in line with the internationally recognized definition of cooperatives,<sup>16</sup> and I use as a reference frame the legal concept of sustainable development.<sup>17</sup> We will not achieve much in terms of sustainable development unless we translate this concept to the enterprise level. The four aspects of sustainable development, namely ecological balance, economic security, social justice and political stability, are interdependent and mutually reinforcing. Letting the *aspects* of sustainable development drift apart, as if they were *elements* of sustainable development, leads sooner or later to problems. The current so-called<sup>18</sup> financial, economic and employment crises make this obvious: The ecological balance is out of balance: the use of non-renewable resources and the CO<sub>2</sub> emissions are increasing; economic security is shifting toward economic insecurity, as remunerated employment and other income opportunities are becoming scarce; social justice is turning into social injustice, not the least as a consequence of economic insecurity; political stability turns into instability as a consequence of social injustice, mainly.

As cooperatives do not seek market opportunities, but are members' needs-oriented and democratically controlled and as their capital is to serve this purpose and is not a means to produce

11 Cf. Part I of this book.

12 Cf. Hytinkoski's and de Poorter's, as well as Köppä's contributions in Part III of this book.

13 Helsingin yliopiston osuustoiminnan tutkimuksen ja opetuksen neuvottelukunta.

14 Zuluai Londoño, Carlos Julio, Enseñanza del derecho solidario: Aproximación a una experiencia, Bogotá: Universidad Cooperativa de Colombia 2008, 8 (translations by the present author).

15 Cf. for example Immanuel Kant's explication "Was ist Aufklärung? [What is enlightenment?]".

16 According to the ICA Statement and the ILO R. 193 (Paragraph 2) cooperatives are "[...] autonomous association[s] of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise."

17 Recognized as such by the International Court of Justice since 1997. For details cf. Henrý, Hagen, Sustainable Development and Cooperative Law: Corporate Social Responsibility or Cooperative Social Responsibility?, in: International and Comparative Corporate Law Journal Vol.10, Issue.3, 2013, 58-75.

18 In my opinion it is not a financial crisis; it is not an economic crisis; it is not an employment crisis. These "crises" are rather expressions of an intellectual crisis. Cf. Henrý, Hagen, Cooperatives, Crisis, Cooperative Law. Contribution to "Cooperatives in a world in crisis". Paper presented at the Expert Group Meeting organized by the Department of Economic and Social Affairs (DESA) of the United Nations on the question of the desirability and feasibility of an international year of cooperatives, 28-30 April, 2009 at New York. Available at: <http://www.un.org/esa/socdev/egms/docs/2009/cooperatives/Hagen.pdf>

financial returns, they are normatively capable to balance economic, social and cultural objectives<sup>19</sup> and to ease the pressure on non-renewable resources. Cooperatives also seem to adapt well to changing circumstances by and when having their members participate in the decision-making on what and how to produce and how to distribute the produced wealth. Social justice is a result of such participation, political stability a further likely consequence.<sup>20</sup> The space to organize such participation of the demos is shrinking constantly.<sup>21</sup> Therefore, enterprises with a democratic structure, like cooperatives, will (have to) be looked at again, beyond the need to preserve a diversity of enterprise forms, which is a principled requirement for sustainable development.

The further question is whether under the conditions of globalization the idea of cooperative enterprises can/will rejuvenate. At first glance, the technology behind globalization exacerbates the competitive imbalance between enterprise types in favor of investment capital-centered enterprises. The combined effects of the shift of emphasis from the production of goods and services to the highly capital-intensive production of knowledge, on the one hand, and the virtualization/globalization of the production, on the other hand, means an increasing need to access capital. Actors who easily access capital globally and who engage virtually in (capital intensive) productions (of knowledge) have, hence, a comparative advantage. But, despite its seemingly adverse conditions globalization holds opportunities for cooperatives as enterprises.<sup>22</sup> A number of reasons allow for this statement: Knowledge is generated in/by people; cooperatives are people-centered. Globalization stands for the process of

abolition of the barriers of space and time.<sup>23</sup> The thinking behind the communication technology, which makes the barriers of time and space disappear, also allows knowledge to be as mobile as capital. Furthermore, knowledge will become increasingly the means of its own production.<sup>24</sup> This diminishes the role of capital. Enterprise types which are not centered on capital, like cooperatives, will hence have an advantage, if and to the extent we create the adequate conditions for the production of a specific type of knowledge, which I call social knowledge. Besides overcoming a number of epistemological obstacles put in place in the aftermath of the so-called oil crisis in 1973,<sup>25</sup> and besides overcoming the classical divide between "The Two Cultures",<sup>26</sup> we need to create and maintain spaces where the experience of social knowledge can regenerate.

Enterprises like cooperatives will continue to offer such spaces, if we understand that the economic, sociological, psychological and socio-psychological conditions prevailing at the origin of modern cooperatives in the 19<sup>th</sup> century have changed. The 19<sup>th</sup> century was marked by industrialization, production in factories in the form of investment-capital centered companies, peasant populations, urbanization, people individualizing. The ensuing "social question" found three answers: One given by the labor market partners. The trade unions succeeded in imposing themselves as intermediaries in the conflict between capital and labor and in obtaining better labor standards/conditions. The second answer was the development of the welfare state. The third answer was given by the cooperatives. They suggested avoiding the conflict between capital and

19 Cf. definition at footnote 16. It is not a coincidence that this definition takes up elements which are enshrined in the International Covenant on Economic, Social and Cultural Rights, UN Document 993 UNTS 3 (1966), one of the legally binding Human Rights instruments.

20 For a detailed synopsis of the aspects of sustainable development and the legal structure of cooperatives, cf. Henrý, Hagen, Quo Vadis Cooperative Law?, in: CCIJ Report No. 72/2014, 50-61 (in Japanese; manuscript in English). As to the difference between Corporate Social Responsible (CSR) and the approach followed here and which links the legal structure of the enterprise to the aspects of sustainable development, cf. Henrý, Sustainable Development and Cooperative Law ..., op. cit..

21 For example through privatizations of public services, privatization of law-making etc.. For more detail cf. Henrý, Public International Cooperative Law ..., op. cit., especially at footnotes 21 and 43.

22 In this sense also Monzón, José Luis. La globalización y el futuro de las cooperativas, in: Economía Social: Identidad, desafíos y estrategias. Gemma Fajardo García y M<sup>a</sup> José Senent Vidal (Coords.), Ed.CIRIEC-España, 2014, 35-43.

23 The words "global" and "globalization" stand therefore for the process of abolition of barriers to the movement of the means of production, especially capital and labor (cf. Becerra, Santiago Nino, El crash del 2010, 6<sup>th</sup> ed., Barcelona: los libros del lince 2009, 145). The words stand less for an empirical fait accompli than for the rapid transformation of the production where, because of new technologies, capital can be de-localized instantly and capital and labor can be drawn from anywhere and "used" everywhere, including in a virtual manner. I.e. they stand for a situation where space and time are losing their conditionality for the economy. As for a differentiation in other languages, especially in the French language, between "globalisation", "mondialisation", and "universalisation", cf. Ost, François, Mondialisation, globalisation, universalisation : S'arracher, encore et toujours, à l'état de nature, in : Le droit saisi par la mondialisation, sous la direction de Charles-Albert Morand, Bruxelles : Bruylant 2001, 5 ff. (6 f.).

24 An example is Linux.

25 For details cf. Henrý, Quo Vadis Cooperative Law?, op. cit.

26 Snow, C. P., The Two Cultures and A Second Look, Cambridge: Cambridge University Press, reprinted 1992.

labor in the first place!<sup>27</sup> Cooperatives had however to replace the positive productive energy released by the conflict between capital and labour with something else. This “something else” was solidarity (re)generated by the sharing of values, norms, legal conceptions at the local level, the social ties, that fabric of collectivity. These were phenomena within national political and legal frameworks.

Where are we today? The process of globalization is being completed. A/one global world without political and legal frameworks superposes national worlds and partly replaces them. Instead of factories, virtual enterprises; instead of urbanizing, we are urbanized; instead of collectively organized individuals, globally connected singularized individuals turn anthropo-centric views into ego-centric ones; instead of migrations prompting integration, migrations prompt interculturalities which require reconsidering how to take account of diverse values and norms within political orders; instead of the economy uniting economic and political spaces, the global economy dissolves this unity.

Because of these changes, the mentioned actors have lost much of their effectiveness: trade unions will find it increasingly difficult to maintain their democratic power base as employment continues to give way to other forms of income generation; the welfare state has reached its financial capacities and cannot reach global actors through its law; and cooperatives need to modernize their values and principles according to the challenges outlined here.<sup>28</sup> In addition to the “social question” we have to solve the global “societal question” of how to create and maintain sustainable living conditions.

New types of cooperatives demonstrate that the cooperative form of doing is already adapting to these new circumstances. Some of these new-type cooperatives are still relying more on collectively (re)generated solidarity, but are moving from a single purpose to a multi-purpose approach and from homogenous memberships to multi-stakeholder set-ups, for example social

cooperatives, school cooperatives, care cooperatives, health cooperatives, energy cooperatives, community cooperatives, general interest (housing) cooperatives. Others are relying more on connectivity, for example agricultural cooperatives in urban agglomerations, cooperatives formed by members of the liberal professions, think tanks in the form of cooperatives.<sup>29</sup>

Without neglecting the more traditional types of cooperatives, we need fostering these new types through research and education.

### III CONCLUSION: PARTICIPATION – THE ETERNAL CHALLENGE FOR COOPERATIVE ENTERPRISES

We are all homini oeconomici and we are all homini cooperativi. But, do we know how to make us “homini cooperans” to whom I refer in the background note to this seminar,<sup>30</sup> especially when faced with the limitations of this infinite global world? What if cooperators do not cooperate? This is the question for anyone fond of the idea of cooperatives.<sup>31</sup>

The researched answer to this question must be taught in a way which matches the way young people are becoming used to learn. We used to wander from value to value in time and from institutions to institutions in space. Bare of time and space constraints, we need to constantly (re)create the sense of the moment. The technology is there. Young people are using it. I am confident that they will find new ways to connect for global solidarity. The least we can do is to not let research and education stand in their way!

27 Beyond the question who hires what: capital hires labor according to capitalist (as well as communist economic theory, for that matter), or labor hires capital according to the social economy theory, as stated by Cid (cf. Cid, Mikel, Making the Social Economy Work within the Global Economy, in: Review of International Co-operation, Vol. 97, No.1/2004, 80 ff.) there is a cooperative way.

28 The ICA is about to issue Guidance notes concerning a modern interpretation of its seven principles. Cf. at: [http://ica.coop/sites/default/files/attachments/EN%20Guidance%20Notes%20-%20Consultation%20Final%202015-05\\_0.pdf](http://ica.coop/sites/default/files/attachments/EN%20Guidance%20Notes%20-%20Consultation%20Final%202015-05_0.pdf)

29 Cf. Troberg, Eliisa, Asiantuntijaosuuskunnat. Joustavia verkostoja tietoyhteiskunnassa [Professional Cooperatives. Flexible networks in the information society], in: Hallinnon Tutkimus, 2000, Volume 19, Number 1, 76 ff.

30 Cf. also contribution by Isabelle Schulte Tenckhoff in Part II of this book.

31 Cf. Chapter 1 of the ICA Blueprint for a Cooperative Decade 2011-2020, at: [http://ica.coop/sites/default/files/media\\_items/ICA%20Blueprint%20-%20Final%20-%20Feb%2013%20EN.pdf](http://ica.coop/sites/default/files/media_items/ICA%20Blueprint%20-%20Final%20-%20Feb%2013%20EN.pdf)

**PART II**  
**COOPERATIVE**  
**STUDIES**



# CUSTOMIZING A PATCHWORK QUILT: CONSOLIDATING CO-OPERATIVE STUDIES WITHIN THE UNIVERSITY WORLD<sup>1</sup>

IAN MACPHERSON

The size and a few of the many aspects of the international co-operative movement are generally well known. In fact, the statistics associated with the size of the movement are almost ritually referred to by anyone making a speech about co-operatives. The cooperatives around the world that are affiliated with the International Co-operative Alliance have over one billion members. There are formally registered cooperatives in at least 200 countries. The 300 largest cooperatives internationally employ 20 % more people than the multi-nationals so beloved in the business sections of our newspapers and by most ministers of finance. The United Nations estimates that over three billion people around the world (about half the world's population) access at least one important service, work for, or purchase goods through cooperatives. In many countries, not least Finland, cooperatives are vital parts of the economy – stable, capable mobilizers of resources, financial and human; resilient economic actors in times of depression.

Furthermore, the movement is not a recent, untried experiment, fad that will soon pass. It has a long history – at least back to 1844, when the Society of Equitable Pioneers opened their store in Rochdale, but it is arguably longer. The movement's impact on local communities can be multi-faceted and profound, even inspiring. Its role in the expansion of northern countries around the globe in the nineteenth and early twentieth century was significant, as was its role in the independence movements that followed from the 1950s onward. Its capacity to respond to many social and economic challenges today is continuously being demonstrated – particularly in the

way in which it responds to pressures for social services, the development of alternative energy resources, the needs for youth employment, and the challenges facing migrating peoples.

In fact, the movement's constant growth in many directions makes it difficult to gather an overall understanding of what is happening within it – and to it – at any given time, and perhaps that has never been truer than it is today. The reality is that few observers succeed well in doing so; most people involved in cooperatives remain largely focused on the organizations in which they are directly involved. What used to be called the "big picture" in the co-operative world remains significantly unknown: the whole is substantially bigger than the parts that are most commonly comprehended.

Given all these indications of importance, one might expect that the co-operative movement would be seriously and widely examined within universities; that students would easily be able to gain some understanding of it in their studies; that research into it would be well established; and that it would be featured in many of the research and public events regularly sponsored by academic organizations. Regrettably, for the most part, none of those expectations can readily be met. Rather, the treatment of the cooperative movement in academia is typically very limited, frequently slanted, and rarely well sustained.

This paper will offer some reasons why this situation prevails. It will start by outlining some of the challenges that apply, challenges that make the study of cooperatives and co-operative thought interesting and worth doing. It will suggest at least some of the reasons why academia has not taken up those challenges as it might or should have. It will outline some of the work that, despite the generally low level of attention paid to cooperatives at universities, is being undertaken. The largest section of this paper will consider teaching about cooperatives at universities, in-

<sup>1</sup> This text is the slightly adapted version of the manuscript Ian MacPherson's family provided for publication after the death of the author. It is incomplete. The reader will agree that even in its incomplete form the text contains a wealth of thoughts for research and teaching. The editors complemented the text in part with text form power point slides which the author used during his oral presentation on October 19, 2012 at the University of Helsinki.



cluding a brief survey of some of the more obvious efforts around the world and, drawing on the author's experiences, stretching back to the early 1970s in Canada. Finally, it will conclude with an appeal for the development of Co-operative Studies as a legitimate and independent field of enquiry with its own characteristics and sets of key questions.

## THE CHALLENGES THAT BECKON

In order to understand what might be taught and what needs to be taught, it is important to reflect upon the body of knowledge that needs to be addressed. It is important to come to terms with some of the main themes that make the over-all enquiry worthwhile.

### COMING TO TERMS WITH SIZE AND VARIETY

It is difficult for people coming to the study of cooperatives to grasp the extent and diversity of the movement. According to Alex Laidlaw, who spent most of his life working with and for cooperatives in many parts of the world, there were over 300 different kinds of cooperatives by the 1970s; there are even more now – the number keeps increasing.

It is not easy to categorize the cooperatives that exist. Traditionally, the International Co-operative Alliance, other international organizations, and governments have tended to think about cooperatives by dividing them into categories according to their most prominent functions: most obviously, as consumer, worker, financial, agricultural and service cooperatives, the kinds of cooperatives that gained the most prominence in the late nineteenth and early twentieth centuries. This kind of division was reinforced by the main ways in which the movement tended to develop until the later twentieth century. It also reflects how it was easiest to absorb co-operative organizations within the ways in which economies have been perceived. This emphasis, however, has also meant that the main forms of cooperatives – and especially the largest and oldest among them – have become “established organizations” that do not necessarily have much interest in, or sympathy for, the many kinds of new cooperatives that have emerged: the movement has developed hierarchical tendencies that ultimately can betray its egalitarian and inclusive heritage.

Another consequence is that the movement in many countries has tended to become fragmented into quite distinct sectors, often organized under separate pieces of legislation and regulated by different government departments. The result is that a broad co-operative approach becomes more difficult for many to understand and the movement's leaders to advance. Grasping what the totality of the movement represents becomes difficult for people both within and without the movement. A powerful movement requires consistent and well-known regulatory systems if it is to prosper.

Another way of thinking about cooperatives is to divide them into two camps, one consisting of those cooperatives that exist to provide their members (and their communities) with consumer goods and services; the other linking together those cooperatives that provide their members with opportunities to sell what they produce. However, the division, as with the more common division into key sectors, can never be “tidy” or completely satisfactory. Cooperatives, especially if they are particularly responsive to the needs of their members and their communities (as they should be), can readily expand into several kinds of businesses, including some concerned primarily with production and some concerned essentially with meeting consumption and service needs.

This dualistic approach, however, can bring together large groupings of cooperatives sharing similar goals and the over-all current and potential contributions of cooperatives can be more readily grasped. It encourages greater synergies between established and emerging cooperatives. It emphasizes that the movement is concerned in large measure with the issues that flow from the large-scale challenges of production and consumption in the modern era. It should not be seen as just a collection of niche players.

### THE MOVEMENT'S COMPLEXITIES

Cooperatives are not simple organizations, even when they are small. Moreover, they have arguably not been well served by the tendencies in business thought and approaches in the 1980s and 1990s that sought to simplify business practice and that tended to reduce practice to narrow definitions of “core” businesses. They might better be thought of as complex organizations responding to several key stakeholders, including their members, the communities in which they

are involved, the broader co-operative movement, and the state. Balancing the demands and needs of these different stakeholders is extremely demanding when taken seriously. It requires different kinds of leadership skills than is common in the mainstream business world. The challenge is to balance the contending interests of the four groups and to give each the attention they deserve. When operating as it should be, a co-operative has the great advantage of offering the opportunity of engaging continuously those concerned with consuming specific products or collaborating in the production of products to search constantly for innovative ways to provide them. Cooperatives should have a natural advantage in securing what is called disruptive innovations (the creation of a new market by utilizing a different set of values).<sup>2</sup> They should possess advantages if, as some have argued,<sup>3</sup> we are moving into a period facing “a trilemma of social, organizational and economic complexity, tensions and questions”.

Cooperatives are also complex because, particularly if they grow in size, they change over time. There is a great difference in operating a small co-operative and a large one. There are fundamental differences as they go through their various stages, which might be categorized as “formative”, “stabilizing”, “building” and “reformulating”. In each stage how a co-operative or a co-operative movement relates to its members, the community, the sector, and the state changes. The tendency in the literature and in how many people, even in cooperatives, come to think of them is to emphasize its business aspects, as traditionally perceived, and ignore the other aspects of the dynamics that should characterize cooperatives. The issue becomes particularly complex when one tries to understand what happens within large cooperatives, most obviously perhaps when one thinks about the member relationship.

Understanding the dynamics that should characterize cooperatives as they change over time is one of the most difficult tasks confronting those who would study the movement seriously and it is a challenge that has been imperfectly met. It is also a dimension of co-operative complexity that needs more thought, more research, employing ideas and understandings from the examination of other kinds of organizations,

public and private, but derived at least as much from a deepening understanding of co-operative distinctiveness, thought and values.

## COMING TO TERMS WITH MOVEMENT STRUCTURES

Most commonly, cooperatives develop from local needs and are built initially on local resources. Initially, the structures of most local cooperatives are relatively similar. As they develop they tend to move away from reliance on volunteers to rely more on professional managers, a process that can be disruptive and transformative. It can have implications for class and community associations and it almost certainly raises issues of purpose and questions about how surpluses should be used. The process becomes even more obviously significant as cooperatives develop, expand their base of employed expertise, and seek to compete in wider and bigger circles. One common tendency is to imitate large-scale competitors in goals, operations, marketing, and remuneration and to lessen the impact of volunteers. It is a tendency encouraged by the fact that there is little research on the ways in which cooperatives can sustain their values and principles as they develop and grow, research that emanates from their values and principles. Rather, the options that are presented and pursued are those that characterize private enterprise. Researching and understanding the options that are available as cooperatives grow is a fundamental and not particularly well addressed issue.

As co-operatives develop and grow, many of them collaborate to form networks, most commonly with cooperatives having the same basic purposes. There is no simple, widely agreed upon formulation for national or even regional structures. They are the product of history – of how institutions develop, how different organisations relate to each other, how co-operative leaders pursue their dreams and interests, and what the state allows. From the late nineteenth century onward, such networks tended to develop into institutions: federations, alliances, centrals, wholesales, groups – the names vary. More recently, the tendency has been to create alliances bringing together cooperatives (and sometimes non-cooperatives) in alliances of convenience.

Understanding the development of these efforts at wider collaboration goes far in trying to understand the pattern and nature of most state/provincial, regional, national and international co-operative history. It is usually central to the

2 Christensen, Clayton M., *The innovators' dilemma: when new technologies cause great firms to fail* (Boston: Harvard Business School Press, 1997).

3 Moore, Alan, *No Straight Lines: Making Sense of our Non-Linear World*, 2011.

kinds of development and expansion that have occurred and that are occurring; it is often the source for considerable controversy within the movement because it invariably raises questions of long-term ambitions, democratic control, institutional competition, and government relationships (especially if cooperatives are involved in parts of the economy – such as agriculture or energy – where the state has a considerable interest).

The role of central co-operative organizations is one of the most important and, in some ways, one of the least well-examined dimensions of the co-operative experience. The perpetual challenge is how can co-operatives build on their local strengths to create steadily widening circles of power and influence? It is not a challenge that the movement has often met well.

Such structural changes invariably raise issues of co-operative leadership. Leadership within a co-operative is a controversial issue because of the underlying commitment to democracy and grassroots direction. What can we learn from the examples of leadership that seemed to function best in the past? How can leaders today make the best use of the communication systems at their command? How can they best manage the flux that arguably will always characterize co-operative enterprise? What kinds of structures should they seek to encourage? By what criteria should they make choices about the allocation of resources? Which are the appropriate institutional cultures?

## MOVING BEYOND STRUCTURES <sup>4</sup>

- The issues of co-operative thought and co-operation
- Sources for co-operative thought
- Co-operative connections with communities
- Contributions to community.

## CONSIDERING CULTURE <sup>5</sup>

The role of culture is vitally important in trying to understand the international movement. It has been underestimated, I think, for two reasons: the preoccupation with forms and structures and the tendency of northern co-operative missionaries to project their own experience unto others. This has undervalued indigenous forms of co-operation and separated the co-operative approach from other ways in which people collaborate in

the common interest. Co-operation emerges *sui generis*. We need to understand better the underlying commitments to co-operative approaches, the importance of religious and philosophical views and avoid the imperial trap.

## COMING TO TERMS WITH CONTEXTS <sup>6</sup>

There is no simple, universal explanation. Obviously class, race, and gender are important. But so too are tradition, kinship, and generational relations and communications. The usual connection to industrialism is a necessary, but not a sufficient explanation of modern co-operative thought.

## EVALUATION ON OWN TERMS <sup>7</sup>

- Recognition of diverse traditions
- What did (do) people understand?
- Evaluation in terms of intent.

## WHY TEACHING ABOUT COOPERATIVES IS NOT BETTER ESTABLISHED IN UNIVERSITIES AND COLLEGES

Given the arguments from size and history, given the challenges that could or should spark interest, the fact that so little has been done becomes “curiouser and curiouser”. This is a vast topic, one that must include the limitations of people who have considered the co-operative movement and sought to teach about it, as well as the attitudes of people from several disciplines who have consciously and unconsciously tended to marginalize the examination of co-operative traditions and impact.

## THE LIMITATIONS OF THE PRACTITIONERS

Ironically, one of the reasons for this situation is that the international co-operative movement has long had an interest in education. Many co-operative organizations and movements early recognized that if “ordinary” people were to organize and operate co-operative institutions, they had certain educational and training needs.

4 Text borrowed from author’s power point slides.

5 Text completed by editors.

6 Text completed by editors.

7 Text borrowed from author’s power point slides.

### AND YET THE WORK BEING DONE SHOULD NOT BE IGNORED OR TRIVIALIZED....<sup>8</sup>

- The strengths – and the limitations – of centers around the world<sup>9</sup>
- The increasing numbers of interested faculty members: 200? 300?
- The hummingbirds
- The growing interest of young researchers
- Expanding research interests.

### TOWARDS A MORE SYSTEMATIC CONSIDERATION OF THE CO-OPERATIVE EXPERIENCE: THE NATURE OF CO-OPERATIVE STUDIES<sup>10</sup>

- Special interests, unique themes, body of knowledge, institutional associations
- Genuine international focus
- Concern for contextual differences

- Concern for culture
- Multidisciplinarity and interdisciplinarity
- Discussion of the agenda
- Emphasis on networks and other associative structures
- Invigoration of intellectual studies
- Interest in relationship with other movements and with co-operation
- Engagement with gender analysis
- Respect for, and collaboration with practitioners
- Development of sustained, expanding resource base
- Emphasis on communications: utilisation of various media, mixture of languages and approaches
- Encouragement of strong publication programmes (including e-books)
- Pushing the theoretical agenda.

<sup>8</sup> Text borrowed from author's power point slides.

<sup>9</sup> Note by editors: Cf. contribution by Hytinkoski and de Poorter, in Part III of this book.

<sup>10</sup> Text borrowed from author's Power Point slides.



# HOMO COOPERANS: LESSONS FROM ANTHROPOLOGY

ISABELLE SCHULTE-TENCKHOFF

## INTRODUCTION

The Norwegian anthropologist Thomas Hylland Eriksen defines anthropology as “the comparative study of culture and society, with a focus on local life”, and writes: “Anthropology is an intellectually challenging, theoretically ambitious subject which tries to achieve an understanding of culture, society and humanity through detailed studies of local life, supplemented by comparison”.<sup>1</sup>

As a discipline, and beyond its theoretical diversity and somewhat problematic history (notably as a ‘child of colonialism’, as Lévi-Strauss once wrote<sup>2</sup>), anthropology addresses a series of fundamental questions that hinge on one crucial realisation: that human beings everywhere are endowed with the same cognitive and physical potential, yet grow into distinctly different individuals, form different types of society, embrace different beliefs, speak different languages, and have different ideas about life. Thus, anthropology is fundamentally about sameness and difference. As Clifford Geertz reminds us: “One of the most significant facts about us may finally be that we all begin with the natural equipment to live a thousand kinds of life but end in the end having lived only one”.<sup>3</sup> Anthropology thus studies the diversity of societies and cultures against the backdrop of the unity of humankind; it reflects dialectically on what is general or universal in humanity as a whole, and what is culturally specific according to region, historical period, natural environment, and so forth.<sup>4</sup>

On this basis anthropologists have been led to consider several levels of analysis. One is that of long-term field research among a given local group to understand people’s lifeways and modes of thought. This classic method of anthropology is illustrated by the vast number of monographs produced by generations of anthropologists since the early twentieth century, starting with Bronislaw Malinowski, to name but one of the ‘founding fathers’ of British anthropology.<sup>5</sup> Another level of analysis involves the comparison of a given set of sociocultural practices or institutions, with the purpose of understanding different facets of, say, political organisation – a classic example being *African Political Systems*.<sup>6</sup>

Applying this to the topic at hand, and citing a few (out of many) recent publications, one may look at cooperatives as specific sites of enquiry among a given population<sup>7</sup> or as a stake in comparison with regard to larger economic issues.<sup>8</sup> My purpose here reaches beyond cooperatives as field sites or organisational forms, however. I rather wish to highlight cooperation understood as a set of instituted and embedded sociocultural practices. This ties into yet another level of analysis, namely one that is concerned with the fundamentals of sameness and difference, for instance in exploring how ideas about human nature affect one’s approach to sociocultural diversity. To put it in a nutshell, then, this brief contribution

1 T. H. Eriksen, *What is Anthropology?* London, Pluto Press, 2004, pp. 9, 7.

2 C. Lévi-Strauss, *Anthropologie structurale* deux, Paris, Plon, 1973, p. 69.

3 C. Geertz, *The Interpretation of Cultures*, New York, Basic Book, 1973, p. 45.

4 I. Schulte-Tenckhoff, *La vue portée au loin: une histoire de la pensée anthropologique*, Lausanne (Switzerland), Editions d’En Bas, 1985.

5 See B. Malinowski, *Argonauts of the Western Pacific*, London, Routledge & Kegan Paul, 1922.

6 E. E. Evans-Pritchard and M. Fortes (eds), *African Political Systems*, Oxford University Press, 1940. For a critical approach to the comparative method, see A. Gingrich and R. G. Fox (eds), *Anthropology, By Comparison*, London, Routledge, 2002.

7 E.g. N. D. Peterson, ‘We are the daughters of the sea’: strategies, gender and empowerment in a Mexican women’s cooperative, *Journal of Latin American and Caribbean Anthropology* 19(1) (2014): 148-167.

8 E.g. S. Lyon, *Coffee tourism in Chiapas: recasting colonial narratives for contemporary markets*, *Culture, Agriculture, Food and Environment* 35(2) (2013): 125-139, G. Sabin, *Mouvements paysans dans le nord-ouest argentin: au-delà de l’économie, des organisations sociales coopératives*, *Revue du MAUSS* 29 (2007): 281-300.

invokes *homo cooperans* against *homo oeconomicus*, with the purpose of highlighting the sociocultural dimension of the economy against the ‘naturalisation’ of the market system and the fiction of ‘Economic Man (or Woman)’ as allegedly best suited to ‘human nature’. It builds on previous research addressing the significance of ceremonial exchange,<sup>9</sup> and is especially indebted to Karl Polanyi’s and Marcel Mauss’s seminal contributions to the long-standing critique of narrow conceptions of economic rationality.<sup>10</sup> This needs to be underscored from the outset to distinguish the approach pursued here from others addressing cooperation, notably behavioural economics inspired by socio-biology, that investigate on how moral sentiments are mobilised out of self-interest,<sup>11</sup> and rational-choice based analyses that view “cooperation and reciprocity as outcomes of individual social action and choices”.<sup>12</sup>

In this sense, then, the argument I wish to pursue raises one fundamental problem. This is the “economistic fallacy”, as Polanyi put it, namely the “distorted view of life and society” brought about by the generalisation of the model of the self-regulating market and economic self-interest in nineteenth-century Western society,<sup>13</sup> having fostered “the tendency in Western thought to analyze all aspects of life through an economic determinism”.<sup>14</sup> Viewed through the lens of the “economistic fallacy”, a crucial concern for example is that cooperatives need to adjust to the challenge of competitive markets.<sup>15</sup> Alternatively, when viewed through the lens of a critique of

the “economistic fallacy”, cooperatives make us reflect on the meaning (and future) of cooperation – a reflection that is also valid for related sociocultural institutions, such as reciprocity or the gift.

## ON COOPERATION

To begin, it is useful to recall briefly Margaret Mead’s 1937 volume on *Cooperation and Competition in Primitive Societies* – a starting point as good as any (in spite of its partly out-dated terminology) to highlight the cultural and collective dimension of cooperation.

The volume edited by Margaret Mead comprises surveys of thirteen cultures across the world, assembled under the auspices of the United States Social Science Research Council.<sup>16</sup> Rather than presenting source materials on the peoples being studied, the essays were meant to provide a background for planning future research on competition and cooperation in American society against the backdrop of the so-called ‘Culture and Personality approach’ represented by Mead, Ruth Benedict, Abram Kardiner and other American anthropologists active during the first half of the twentieth century, who set out to explore the articulation between human psychology and culture context. Their main contribution was to insist that the manner in which people act is culturally patterned, that it is the result of a process of socialisation, and that socialisation is crucial in guiding individuals to become functioning and productive members of their society.<sup>17</sup> Their work thus fulfilled an important role at the time, in reaction especially to social evolutionism and scientific racism.

Two basic assumptions guided the Mead project. First, human practices and values must be understood in context. This prerequisite reflects the holistic premise of anthropology (see also below). Second, the articulation between cooperative and competitive practices must be understood as the result of complex processes of personality formation through socialisation, that is, the cultural transmission of norms and values guiding what people say and do. Based on the different contributions to the volume, Mead was brought to envisage not simply a continuum be-

9 I. Schulte-Tenckhoff, *Potlatch: conquête et invention*, Lausanne (Switzerland), Editions d’En Bas, 1986; I. Schulte-Tenckhoff, *Misrepresenting the potlatch*, in *Expanding the Economic Concept of Exchange: Deception, Self-Deception and Illusions* (C. Gerschlag ed.), Dordrecht (NL), Kluwer Academic Publ., 2001, p. 167-188.

10 K. Polanyi, *The Great Transformation: the Political and Economic Origins of Our Time*, Boston, Beacon Press, 1944; M. Mauss, *Essai sur le don [1923-1924]*, in *Sociologie et anthropologie*, Paris, Presses Universitaires de France, 1966, p.145-279, translated as *The Gift*, New York, W. W. Norton, 1967.

11 E.g. H. Gintis, S. Bowler, R. Boyd, E. Fehr (eds), *Moral Sentiments and Material Interests: The Foundation of Cooperation in Economic Life*, Cambridge (USA), MIT Press, 2005; S. Bowler and H. Gintis, *A Cooperative Species: Human Reciprocity and its Evolution*, Princeton University Press, 2011.

12 J. H. Cohen, *Cooperation and Community: Economy and Society in Oaxaca*, University of Texas Press, 1999, p. 4.

13 K. Polanyi, *The Great Transformation*, op. cit., p. 276.

14 F. Block & M. R. Somers, *The Power of Market Fundamentalism: Karl Polanyi’s Critique*, Cambridge (USA), Harvard University Press, 2014, p. 44; see also G. Dale, *Karl Polanyi: The Limits of the Market*, Cambridge (UK), Polity Press, 2010.

15 E.g. S. A. Haugland & K. Grønhaug, *Cooperative relationships in competitive markets*, *The Journal of Socio-Economics* 25(3) (1996): 359-371; J. A. Hogeland, *The economic culture of U.S. agricultural cooperatives*, *Culture & Agriculture* 28(2) (2006): 67-79.

16 M. Mead (ed.), *Cooperation and Competition among Primitive Peoples*, 2<sup>nd</sup> ed., New Brunswick (NJ), Transaction Publishers, 2003 (1<sup>st</sup> ed. 1937).

17 E.g. R. Benedict, *Patterns of Culture*, Boston, Houghton Mifflin Co., 1934; A. Kardiner, *The Individual and His Society*, New York, Columbia University Press, 1939.

tween competitive habits ("the act of seeking or endeavouring to gain what another is endeavouring to gain at the same time"<sup>18</sup>) and cooperative ones ("the act of working together to one end"<sup>19</sup>), but rather a triangle where she added the qualifier "individualistic".<sup>20</sup> Not only the adjectives "competitive" and "cooperative" turned out not to be opposites. Also, "individualistic" habits needed to be featured in to complete the picture. By "individualistic" Mead understood "behaviour in which the individual strives toward his goal without reference to others",<sup>21</sup> for instance in the case of hunting peoples (such as the Dènè) who disperse during a part of the year, and where hunting is carried out individually. Here, "individualistic" does not carry any moral connotation<sup>22</sup> or lends itself to being equated with aggression or exploitation. Finally, Mead underlined that contrary to the adjectives "competitive" and "cooperative", sufficiently abstract to be of cross-cultural relevance, the qualifiers "non-competitive" and "uncooperative" were not, since they presupposed that competition and cooperation were previously defined with regard to the culture studied. Hence her conclusion: "competitive and cooperative behaviour on the part of individual members of a society is fundamentally conditioned by the total social emphasis of that society, that the goals for which individuals will work are culturally determined and are not the response of the organism to an external, culturally undefined situation, like a simple scarcity of food".<sup>23</sup>

In her Interpretive Statement concluding the volume, Margaret Mead writes that "no society is exclusively competitive or exclusively cooperative".<sup>24</sup> Nor does competition necessarily equate conflict, or cooperation solidarity: competition may be valued as a means to increase productivity in a society that otherwise values cooperation. She also found no correlation with regard to subsistence level; or rather, materially rich societies were rather on the cooperative side,<sup>25</sup> and societies with similar modes of subsistence might be either competitive or cooperative.

The culture-deterministic outlook that dominated American anthropology in Mead's time has been a major point of contention that cannot be pursued here. For the purpose of my argument, it should be underlined, however, that it guarded against establishing correlations informed by economic determinism. Moreover, Mead added some thoughts on how excessive competition might be prevented through sociocultural safeguards in specific societies, for instance by interposing rank between individuals who might otherwise be competitive, by reorienting individual goals towards group ends, or by adopting cultural phrasing that displaced the emphasis from the objective situation of competition to some other sphere in which competition is less feasible.<sup>26</sup>

In sum, cooperative practices are learned, and they can be explained culturally. At a more abstract level, if construed as cross-culturally relevant, cooperation is useful as an ideal-type, understood as a factor of intelligibility, helpful in formulating hypotheses to explain and interpret social facts. In this sense, cooperation is a heuristic tool to aid the anthropologist in 'flushing out' configurations of meaning. A recent volume comprising a number of ethnographic studies<sup>27</sup> illustrates the continuing relevance of Mead's propositions, while probing the complexities of cooperation in more contemporary and globalized settings. This brings a new spin to current studies falling under the heading of an 'anthropology of capitalism'<sup>28</sup> by re-stating the relevance of a comparative and historically informed study of economic systems as undertaken by Karl Polanyi, which resists *ex post facto* reasoning based on the naturalisation of the market model and hence the problematic extrapolation of the analytical framework propelled by this historically and culturally specific institutional matrix.<sup>29</sup>

18 M. Mead, Introduction, in *Cooperation and Competition*, op. cit., p. 8. This is not to be confused with rivalry which Mead defines as behaviour oriented not toward a goal, but another human being whose worsening is the primary objective. Ibid., p. 17.

19 Ibid., p. 8.

20 M. Mead, Interpretive Statement, in *Cooperation and Competition*, op. cit., p. 461.

21 M. Mead, Introduction, op. cit., p. 16.

22 Contrary to the manner in which Louis Dumont understood the individual as a moral category indissociable from modern society. See below.

23 M. Mead, Introduction, op. cit., p. 16.

24 M. Mead, Interpretive Statement, op. cit., p. 460.

25 Ibid., p. 462-463.

26 Ibid., p. 466 including footnote 1.

27 R. C. Marshall (ed.), *Cooperation in Economy and Society*, Lanham (USA), Alta Mira Press, 2010. Of similar interest in this connection is K. E. Brown and B. L. Milgram (eds), *Economics and Morality: Anthropological Approaches*, Lanham (USA), Alta Mira Press, 2009. On culture and the economy, see also S. Gudeman, *Economics as Culture: Models and Metaphors of Livelihoods*, London, Routledge & Kegan Paul, 1986.

28 E. g. K. Ho, *Liquidated: An Ethnography of Wall Street*, Durham (USA), Duke University Press, 2009; A. Riles, *Collateral Knowledge: Legal Reasoning in the Global Financial Markets*, University of Chicago Press, 2011.

29 E.g. G. Dalton, *Economic theory and primitive society*, *American Anthropologist* 63 (1961): 1-25.



## ON (ECONOMIC) RATIONALITY

All human beings have the faculty to think rationally in view of solving specific problems and of making decisions. Rationality understood in this sense is linked to the universal propensity to establish rules and systems of classification, and to be creative. Attuned to sociocultural diversity, anthropology is mainly interested in the relativity of rationality, however. While the forms of rationality produced by particular human societies are often not easy to translate into the terms of another culture, they nonetheless remain intelligible because human beings share universal criteria of rationality related to the need for human survival and sociocultural interaction.<sup>30</sup> From such a perspective, economic rationality in particular – especially in its neoclassic or neoliberal form – ought to be addressed in the context of Western society. But it is neither more, nor less rational than other modes of thought or cognition. What is important to retain is that dominant economic rationality rests on a foundation that is different from that of other types of society where, say, kinship relations, conceptions of the natural environment or political considerations play a more important role. In making decisions according to kinship relations, for example in engaging in ostentatious potlatch exchanges to have these relations acknowledged during a funeral rite, a society seems ‘irrational’ only when measured against the criteria of our own economic rationality, which condemns allegedly unproductive gift-giving.<sup>31</sup> To this must be added that there is often a confusion between economic rationality – especially when the latter is grounded in the principles of scarcity and maximization – and rationality *tout court*. The question thus remains: what is ‘economic’?

Fundamentally, there are two ways to answer this question. One involves an actor-centred approach that looks at how individual social actors use available means to maximise value. The other resorts to a systemic approach focusing on the production, distribution and consumption of material and non-material goods in a given society. One is grounded in methodological individualism that alleges the over-riding analytical or explanatory value of individual actions or motives, to the exclusion of criteria associated with sociocultural groups, with institutions, with

social representations or cultural values. Here society is viewed as a more or less precarious aggregate of individuals who enter into a social contract out of self-interest. The other is grounded in methodological holism according to which the economy must be regarded in relation to other aspects such as kinship, law, politics, religion .... In a similar vein, Louis Dumont argued that the Individual as a moral category (with a capital I to distinguish it from the general sense of the term ‘individual’) sustains a methodological standpoint that values isolated elements over relational ones, that is, methodological individualism over holism: “In most societies, and in the first place in the ... ‘traditional societies’, the relations between men are more important, more highly valued, than the relations between men and things. This primacy is reversed in the modern type of society, in which relations between men are subordinate to relations between men and things”<sup>32</sup>

The dichotomy between an actor-centred and a systemic outlook undergirded the so-called formalist-substantivist controversy in economic anthropology during the 1960s and 1970s, set off by the publication of the volume *Trade and Markets in the Early Empires* in 1957, to which Karl Polanyi also contributed.<sup>33</sup> While this controversy *per se* is now a thing of the past, the basic problems it raised at the time have remained with us, and it has been rightly argued that it represented “the defining moment”, if not the “golden age” of economic anthropology.<sup>34</sup>

Polanyi engages with a twofold definition of what is ‘economic’, a formal and a substantive one. The formal definition derives from a general logic of rational action which posits explicit ends and limited means, as well as the need to allocate scarce resources between alternative uses. It thus hinges on the principle of maximisation, that is, the adaptation of rare means to unlimited ends. In extrapolating the tenets of mainstream neoclassical economic theory, a series of basic assumptions seemed to acquire general validity: that social phenomena can be split up into a series of individual maximization strategies; that

30 On problems of cultural translation, e.g. T. H. Eriksen, *Small Places, Large Issues: An Introduction to Social and Cultural Anthropology*. Third Edition. London, Pluto Press, 2010, Chapter 15.

31 I. Schulte-Tenckhoff, *Misrepresenting the potlatch*, op. cit.

32 L. Dumont, *Homo Aequalis*, Paris, 1977, translated as “From Mandeville to Marx: The Genesis and Triumph of Economic Ideology”, University of Chicago Press, 1983, p. 5.

33 K. Polanyi, *The Economy as Instituted Process*, in *Trade and Market in the Early Empires* (K. Polanyi, C.M. Arensberg & H.W. Pearson eds), Glencoe (USA), The Free Press, 1957, p. 243-270.

34 R. Wilk & L. C. Cliggett, *Economies and Cultures: Foundations of Economic Anthropology*, 2nd ed., Boulder (USA), Westview Press, 2007, p. 3. See also C. Hann & K. Hart, *Economic Anthropology: History, Ethnography, Critique*, Cambridge (UK), Polity Press, 2010, Chapter 4.

interested exchange is universal; that society is an aggregate of individuals (as already alluded to above); that maximisation can be found in any type of social relation, whenever and wherever. Some economic anthropologists have contributed to promoting this approach in extra-European settings.<sup>35</sup> What counted was the search for 'scientific' – that is, quantifiable – principles of universal validity, likely to be applied cross-culturally. This has been a crucial element in asserting the alleged universality of Economic Man. It remains open to question, however, whether the central axiom at play here, that is, individual self-interest and maximizing, is part of 'human nature' to a degree that it can be regarded as methodologically valid and analytically relevant.

A relevant illustration is 'scarcity', which is part and parcel of the definition of classic economics: without scarcity there is no need for economic analysis. However, in approaching economic rationality from a more relativist perspective, informed by historical and ethnographic analyses, it rather appears as an unquestioned belief, as is illustrated by LeClair, one of the key representatives of formalist economic anthropology in the 1960s. He proposes the following tautological definition: "Scarcity", as economists use the term, "means simply that goods are not freely available – all economic goods are scarce by definition."<sup>36</sup> He adds: "... men everywhere are confronted with the fact that their aspirations exceed their capabilities. This being the case, they must everywhere economize their capabilities in the interest of meeting their aspirations to the fullest extent possible."<sup>37</sup> One notes the circular reasoning here: scarcity and maximization are treated as self-explanatory empirical evidence while at the same time meant to explain the other term: if scarcity is universal, this is because aspirations or needs are infinite; and vice-versa. Burling says it even more clearly: "The principle that our wants are unlimited is a statement that is hardly susceptible of proof, but it may be a useful axiom which can be assumed to lie at the base of human behaviour and which can bring sense to a good deal of man's actions."<sup>38</sup> Amartya Sen – an economist himself – captured the crux of

the matter: "The *purely* economic man is indeed close to being a social moron."<sup>39</sup>

As a counterpoint, Polanyi proposed a substantive definition focusing on the "material acts of making a living",<sup>40</sup> which sought to determine which institutions, in a given society, organise the production, distribution and consumption of goods. His definition derives from empirical observation and takes into account the relationships that human groups form with their natural and social environments to provide material and non-material goods. For Polanyi, the economy must therefore be viewed as an instituted process, embedded in historically and culturally determined institutions. In this he follows Malinowski among others, who argued that economic phenomena can only be understood when replaced in their sociocultural context, and viewed in light of the entire set of interrelations they bring into play. The economy is regarded here, not as an isolated sector but as a "total social fact", as Marcel Mauss would say, that touches upon all spheres of social life. And there is an additional aspect. In his introduction to Mauss's *oeuvre*, Lévi-Strauss wrote that the social fact needs to be grasped totally, that is, from outside, like a thing, but in a manner that comprises the subjective understanding that we would have of it if we were living the fact from within the society rather than observing it as ethnographers.<sup>41</sup>

Karl Polanyi's approach to the economy as an instituted process embedded in specific historically and culturally circumscribed institutions highlights empirically the rationale of a given economic system in lieu of a universally alleged propensity of making rational choice decisions. But he went further: only capitalism fuses both the type of economy, that is the market system, and the formal rationale grounded in maximization. Only in market-integrated societies the formal meaning and the real meaning of the qualifier 'economic' coincide, making the analytical tools elaborated to understand modern capitalism improper for the study of non-market economies.

35 E.g. R. Firth, *Primitive Polynesian Economy*, London, Routledge & Kegan Paul, 1972 (1<sup>st</sup> ed. 1939).

36 J. LeClair, *Economic theory and economic anthropology*, *American Anthropologist* 64 (1962): 1179-1203, at p. 1184.

37 *Ibid.*, p. 1184-1185.

38 R. Burling, *Maximization theory and the study of economic anthropology*, *American Anthropologist* 64 (1962): 802-821, at p. 817.

39 A. K. Sen, *Rational fools: a critique of the behavioral foundation of economic theory*, *Philosophy and Public Policy* 6 (4) (1977): 317-344, at p. 336, author's emphasis.

40 R. Wilk & L. C. Cligget, *op. cit.*, p. 7.

41 C. Lévi-Strauss, *Introduction à l'oeuvre de Marcel Mauss*, in *Sociologie et anthropologie*, *op. cit.*, p. 25.

To illustrate these differences, Polanyi identified three main types of integrating or embedding the economy, with a radical shift occurring through the institution of the price-based market system. One is reciprocity, characteristic of small-scale and little hierarchized societies where cooperation, sharing, mutual obligations, deriving from (mainly kin) group membership, are prevalent and where gift-giving is a source of prestige (as in the case of the *kula* studied by Malinowski<sup>42</sup>). The other is redistribution where a central authority acquires goods from all (e.g. in form of tribute) and then redistributes them to all (e.g. through feasting) and where ostentatious forms of gift-giving confer prestige (as in the case of the *potlatch*<sup>43</sup>). Conversely, the institution of the market and the corresponding price mechanism are not structured by social institutions fulfilling specific functions in other realms of society. The radical shift, according to Polanyi, lies in the inversion of the prestige link: value is gained and accumulated by those who receive and invest what they have through maximisation; and money as well as the market-propelled dynamic of supply and demand henceforth play the central role.

Beyond his contribution to the history of economic systems, Polanyi raised the fundamental problem of how to meet the material needs of society and at the same time ensure social justice, for in his view distribution was an issue of social justice that could not be solved in the marketplace.<sup>44</sup> Furthermore, Polanyi proposed to address the contradiction between economic calculus - pricing system - and the socialist economy by using a complex model aimed at distinguishing clearly between the economy in general and the allegedly self-regulating market economy in particular.<sup>45</sup> Referring to the role of Robert Owen and his idea of Villages of Cooperation,<sup>46</sup> Polanyi wrote that “the principle of cooperation or ‘union’ would solve the problem of the machine without sacrificing either individual freedom or social solidarity, either man’s dignity or his sympathy with his fellows”<sup>47</sup>

## PERSPECTIVE

In drawing on Mead and Polanyi, in establishing cooperation as a sociocultural phenomenon, while promoting a critical approach to economic rationality, in pitting *homo cooperans* against *homo oeconomicus*, one is led to delve deeper into questions such as whether cooperatives are structures created out of self-interest and for profit, as some may allege, or whether they carry the potential to make us rethink the modalities of our economic system.

Based on Polanyi’s typology, one could argue that the social and solidarity-based economy might thrive on reciprocity to the extent redistribution and market exchange are subordinated to it.<sup>48</sup> In this sense, as Fecher & Lévesque have recalled, the solidarity-based economy “takes its inspiration from Polanyi and defines the economy from a substantive standpoint, that is in reference to activities associated with the production and consumption of goods and services”<sup>49</sup>. Similarly, as explored recently by Jean-Michel Servet, based on Karl Polanyi’s distinction between the formal and the substantive definition of what is ‘economic’, the idea of a ‘solidarity economy’ is not an oxymoron, contrary to the standpoint of the economic fallacy may suggest.<sup>50</sup> Finally, for Polanyi, the ‘new’ ethics of solidarity, responsibility, respect for nature, in the words of Gregory Baum, should actually be regarded as an old ethics in a new context.<sup>51</sup>

The co-operative movement has gained in strength worldwide – including in developing countries – as a reaction to the destabilising effects of globalization. In a way, it mirrors conditions in pre-industrial England: “Like then, a single worldview in the form of the free market doctrine has come to dominate both the theory and practice of economics and public policy. Like then, individuals, communities and entire nations are subjected to the narrow interests of tiny elites with catastrophic consequences to individual lives, the environment and the well-being

42 B. Malinowski, *Argonauts of the Western Pacific*, op. cit. See also I. Schulte-Tenckhoff, *Potlatch*, op. cit.

43 I. Schulte-Tenckhoff, *Potlatch*, op. cit.

44 M. Mendell, Karl Polanyi and feasible socialism, in *The Life and Work of Karl Polanyi* (K. Polanyi-Levitt ed.), Montreal, Black Rose Press, 1990, p. 66-77, at p. 69.

45 M. Mendell, op. cit., p. 71.

46 Robert Owen

47 K. Polanyi, op. cit., p. 176. See also M. Mendell, op. cit., p. 74.

48 On contemporary aspects of the embeddedness of the economy and the institutional challenges raised by re-embedding strategies and a reinforcement of the social economy, see B. Gazier & M. Mendell, Karl Polanyi et la pédagogie de l’incohérence, *Annals of Public and Cooperative Economics* 80 (1) (2009): 1-35.

49 F. Fecher and B. Lévesque, The public sector and the social economy in the *Annals* (1975-2007): towards a new paradigm, *Annals of Public and Cooperative Economics* 79 (3/4) (2008), p. 679-727, at p. 698.

50 J.-M. Servet, Le principe de réciprocité chez Karl Polanyi: contribution à une définition de l’économie solidaire, *Revue Tiers Monde* 190 (2007): 255-273, at p. 257.

51 G. Baum, *Karl Polanyi on Ethics and Economics*, Montreal, McGill-Queen’s University Press, 1996, p. 70.

of societies. And like then, the effects of globalization are forcing communities and nations to seek alternatives that can make the market work for the many, not just the few. With the global economy in crisis and the old financial order in disarray, with the free market idea in disrepute and with the corruption bred by the absence of democratic institutions in the political and economic arenas, viable alternatives to the free market myth have never been more urgently needed than now.”<sup>52</sup>

A substantive understanding of the economy cannot be dissociated from knowledge about other societies and cultures, and the continuing existence of alternative models and practices.

I would add that the market system and what Louis Dumont has called “economic ideology” are – maybe – not as ‘contagious’ as the proponents of neoliberalism (or new capitalism) want us to believe. At stake, then, is our ability to learn from other human experiences to gain a decentred view on our own situation and especially our own preconceived ideas. Anthropology is about questioning what appears to be self-evident, based on the foundational project of addressing all at once the unity of humankind and sociocultural diversity. In this context, Polanyi’s *oeuvre* helps explain the power of a naturalized view of our reality, and offers us means and arguments to resist it.

52 J. Restakis, *Humanizing the economy: co-operatives in the age of capital*, Gabriola Island (Canada), New Society Publ., 2010.



# EDUCATION OF CO-OPERATION, MULTIDISCIPLINARITY AND THE GLOBALISED ENVIRONMENT

MARKUS SEPPELIN

## 1. SELF-CONCEPTUALISATION/ SELF-DEFINITION OF ECONOMIC CO-OPERATION

Regarding co-operative studies, three main trends can be distinguished in the self-definition of economic co-operation:<sup>1</sup> 1) co-operation as clearly a business activity, 2) co-operation as a special form of shared team-based (mutual self-help) economic activity and 3) co-operation as a dogmatic economic model based on its own values. The shared view within all these trends is that a co-operative should primarily serve its own members and that co-operation is an alternative method within business economics. What is at stake is the significance of the special characteristics of the cooperative model.

**The commercial examination of co-operation** emphasises the economic efficiency of co-operatives and the best possible economic profit, which other aspects are subordinate to. In this view, the co-operative is an economic unit with its own rules. The principles of co-operation are to adapt in all circumstances to the demands of economic efficiency, which will in the end turn out to be for the benefit of the members participating in the activity. In this approach it is also common to examine the circumstances in which the co-operative is most competitive with other forms of enterprise. The risk of this view is that the special nature of co-operation is easily blurred and the real difference with business oriented only towards profit-making may be difficult to notice. The borderline between co-operatives and other forms of business is flexible in this approach and easy to cross.

**In the second approach, the identity and special nature of co-operation** derives from emphasising the importance of practical demands of working together. For example, the importance of the existence of shared values is justified by the fact that it makes decision-making easier in the everyday activity of the co-operative. Working together in the name of common goals and interests is the most fundamental characteristic of co-operation. This distinguishes it from private entrepreneurship; the concept of collective or community entrepreneurship ensues from this. In the development of a co-operative the main emphasis is put on promoting of consensus and the synergy advantages attained by co-operation.

**The value-based approach to co-operation** places the ethical basics of co-operation into the focus of examination. The self-consciousness of co-operation is primarily working on the conception of what is desirable, ethically right or wrong in economy. The values and principles characteristic of co-operation distinguish it from other business activity. In addition to the relationships between the members, in co-operation it is important to pay attention to its societal significance and the economic, social and environmental effects of the activity.

Within the co-operative movement, there is a continuing dialogue going on among both theoreticians and practitioners about the true nature of co-operation and how it should be defined. The ideas of the supporters of different views on the identity of co-operation do not always meet or receive recognition from the spokesmen of another school. The varying views of the basic nature of co-operation and its identity also affect the ways in which co-operation is viewed and reconciled with the concepts of business, social enterprise, entrepreneurship, the third sector or social economy. It is difficult to give just one accurate answer on the interrelations of these phenomena

<sup>1</sup> Seppelin, Markus (2001), *Majandusliku ühistegevuse õpetamine globaliseerivas turumajanduses. Ühistu probleeme ja uurimusi* [Teaching economic cooperation in a globalizing market economy. Problems and studies of cooperatives]. IV. Publication of the Academical Co-operative Society of Tartu.

and concepts because the answer depends on the conception of the basic nature of co-operation.

Due to the continuous debate and evolution of the concepts used, economic co-operation will hardly wither as a phenomenon, but the implications given to co-operation and the understanding concerning the tasks of co-operatives can fundamentally change in the course of time. This development must be paid attention to in the teaching of co-operation.

A relevant difference in conceptualising economic co-operation is how a co-operative, as a form of enterprise and as a practical application of co-operation, reflects the basic values and potential for social change of the cooperative movement. Is a co-operative solely a practical choice for running a business in prevailing circumstances or is it a means to alter the prevailing trends and development towards the desired economic and social objectives? It is possible to consider a form of enterprise also as a manifestation of the rationality of values, not only as an expression of economic rationality. The debate on economic co-operation is most productive when these two different perspectives are combined. This combination is both the virtue and the weakness of co-operation. Co-operation is prejudged to fail if it only adapts itself to the mainstream of business economy. It will be in trouble also if it does not take sufficiently into account its competitors in the market or their values.

## 2. CO-OPERATION AS AN INTERDISCIPLINARY FIELD OF STUDIES

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Co-operation is a demanding, complex and multifaceted teaching subject. It encompasses business knowledge, social and entrepreneurial skills and value dimensions that are all essential interacting elements of human life and conduct. Co-operation has been taught on different levels since the creation of the first co-operatives - from practical learning situations in co-operatives to academic studies at universities. Co-operative education has also been an integral part of the main objectives and principles of the international co-operative movement. To be successful, a co-operative model of doing business requires knowledge, skills and a set of attitudes that are difficult to learn and fully internalise without special education and training. Also some kind of common understanding of the principles and

values of co-operation, as well as the basics of business economics, are necessary parts of co-operative education.

It is possible to incorporate co-operative studies into many disciplines or branches of studies. It can be included in the studies of economic and social history, business management and administration, agricultural economics and policy, philosophy, environmental studies, social policy, social psychology, organisational studies, corporate law etc. Despite the fact that co-operative studies can easily be fitted into many "mother subjects", it is recommended to have courses devoted only to co-operative studies in order to gain a comprehensive understanding about the nature of co-operation and the special features of co-operation. Too often a coherent picture of the co-operative model is missing because of the scattered treatment of the subject. If co-operation is integrated only with one well-established discipline, such as business economics, it runs the risk of being considered only from a narrow economic perspective and the co-operative model is reduced to an organisational or legal issue.

## 3. CONTENTS OF CO-OPERATIVE STUDIES

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A widely held opinion is that economic co-operation is not worth any more attention than any other form of organisation or company form in a curriculum. An opinion like this arises from a very narrow definition of co-operative business. It is possible to distinguish between two different approaches to the role of co-operative studies (cf. also Figure 1):

- i. Reductionist approach to co-operative studies favoured generally by economists:  
A co-operative is a form of enterprise that is run inside the general framework of business ideology. It does not differ essentially from other models of entrepreneurship or business. The aims of co-operatives are more or less similar to the aims of other enterprises. The whole economic system is characterised by a uniform economic rationality according to which one can estimate if one organisational form is more functional, effective or appropriate than another.
- ii Holistic approach to co-operative studies favoured generally by social scientists:

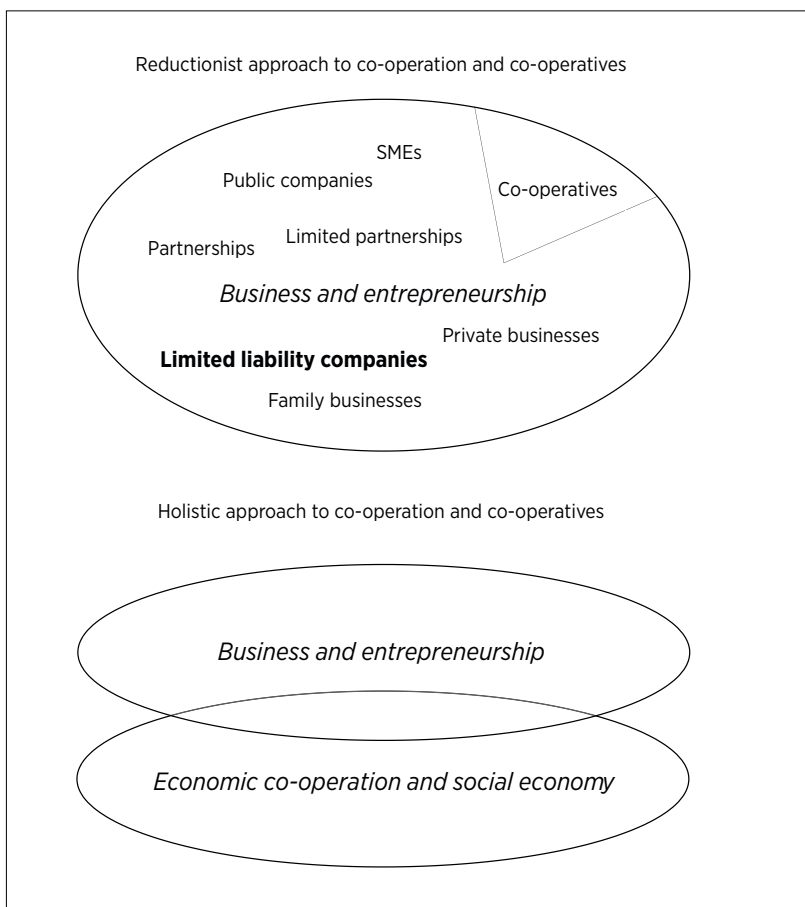


Figure 1.

According to this broad system-view approach to co-operation, it should be studied starting with its own rationality and ideology. Co-operation is not only an organisational matter. The concept of human being is fundamentally different from mainstream economic thinking. A human being does not only behave rationally maximising its economic profit. The rationality of values and social bounds play their own role in human behaviour that cannot be reduced to economic rationality based on net profit maximising. The member-based co-operative model is seen as a genuine alternative to the owner-based profit-seeking business model.

## INTEREST IN CO-OPERATIVE STUDIES

The greatest challenge of co-operative studies is to awake the interest of students in co-operative studies in a situation in which co-operation is almost unknown for most of them. Students sel-

dom have any personal experience of economic co-operation or any close ties with co-operatives. They are unfamiliar with the concepts of co-operation and social economy. Without basic knowledge of economic co-operation it is difficult to observe the links between co-operative studies and the other subjects the students are taking.

Although co-operative studies have a very strong link to co-operative business in practice, the more general framework of co-operative theory and ideology should not be neglected. Otherwise one will act without knowing why. All through the history of the co-operative movement the general idea of co-operation and the meanings behind the praxis have been emphasised in co-operative education, in order to understand the benefits and difference of co-operation. Somehow in recent years this general framework has lost its weight and has been set aside in co-operative education. Maybe the reason is that the previously used general framework has become outdated, as the world around



us has changed rapidly. Therefore a modernised conceptual approach to economic co-operation is needed, as well as a suitable up-to-date framework for this extended analysis of the significance of co-operation in the modern globalised world. Here are some interesting points of view.

#### 4. TOWARDS AN EXTENDED ANALYTICAL FRAMEWORK OF CO-OPERATION

In co-operation it is possible to distinguish between individual, organisational and community levels. Often the levels are treated separately, although the common principles and values of co-operation tie the levels together. Today perhaps the most common study perspective to co-operation is the comparison of the strengths and weaknesses of co-operative enterprises in relation to other forms of enterprise. The profitability of co-operatives and the changes in the market shares are reported as in other enterprises. In this context, the effects of the special features of co-operatives to their economic profit are seldom analysed. Lately, however, attention has been paid to the meaning of ownership, even in purely economic research. There are many research traditions that are connected to the theories of leadership, transaction costs, ownership and theories related to organisation models and decision-making.<sup>2</sup>

The research related to the members is a special field of co-operation research. In this mode of examination, the special characteristics of co-operatives are emphasised because no other form of enterprise has the same kind of membership. In limited companies, the role of the owners is much more restricted and different in nature from that of the members of co-operatives, especially in ideal terms. Attention has been paid to the activity and the degree of alienation and commitment of the members in co-operation research. Attention has also been paid to the relationships between professional management and the members. In limited companies the relationship between the hired management and the owners has been similarly in focus. The examination framework is, nevertheless, different. Co-operation cannot be understood without

paying attention to the motives and awareness of the members and their ability to work together in pursuit of mutual interest. In this mode of examination, the research on co-operatives, voluntary activity and organisational activity benefit one another.

The most comprehensive viewpoint in co-operation research includes the effects of co-operation on the construction of the surrounding community and society. The mutual economic activity in co-operatives aiming at the benefit of the members has also its effects on the outside world, these being reflected on the development and functioning of the whole society. Even global effects may take place. Similarly, the surrounding society affects the formation and scope for action of co-operation. Social power structures and relationships define the force and direction of these effects.<sup>3</sup> Diverging ways of action and thinking challenge mainstream economic theories and critically highlight the deficiencies and internal conflicts in mainstream thinking. On the other hand, deviant ways of conceptualising reality and different operational models face strong pressure to conform, thus running the risk of losing some of their originality and having to give up some of their principles; in other words, so-called watering down of ideas takes place.

In Figure 2 below the aim has been to examine the ways in which private interest, mutual interest and public interest are manifested in the co-operative model and how these aspects of interest are connected to and affect each other. With the help of the diagram it is also possible to examine what the critical factors may be from the viewpoint of co-operation and the success of co-operatives. Co-operation already has a long history, during which both strengths and weaknesses have emerged from the viewpoint of the co-operative organisation. Partly these factors are connected with the characteristics of co-operatives as communities of mutual help, partly to the actors in co-operatives and partly to the operational environment in question.

#### PRIVATE INTEREST

In economic theories, man is essentially viewed as a rational profit-seeker. From the viewpoint of these theories, it is much easier to understand self-seeking than to explain altruistic behaviour. The motives of individuals are diverse and there

2 For example Hansmann, Henry (1996), *The Ownership of Enterprise*. Yale Law School and Yale School of Organization and Management. Harvard University Press: USA; Troberg, Eliisa (2000), *The Relevance of Transaction Cost and Agency Theoretical Concepts to the Management of Knowledge Intensive Co-operatives*, Turun kauppakorkeakoulu, väitöskirja A-2:2000.

3 Melnyk, G. (1985), *The search for community*. Black Rose Books.

is a lot of variation between individuals. People's motives are not restricted to simply maximising economic profit or material welfare. The difference of the conceptions and values directing the motives and actions of individuals renders space also for communal entrepreneurship. We can presuppose that people involved in co-operatives may be motivated by different factors than those taking part in such business ventures where profit is shared by outside shareholders. The manifestation of the co-operative model is the result of the interaction between motivational factors and the structures supporting and hindering them. Despite the motivation, many structural matters can hinder or impede people acting in a certain way. These structural matters include laws and statutes, surrounding values and operational cultures, prevalent atmosphere or, for example, the inner logic of business. Alongside with people's motives, these structures create either favourable or unfavourable conditions for co-operation.

### MUTUAL INTEREST

Co-operatives are companies of mutual interest. In mutual companies, communality and co-operation are seen as strengths to increase the economic profit of its participants, therefore co-operatives are in line with economic profit-seeking. A co-operative can have other goals, too, but purely non-economic ideological activity is usu-

ally distinguished from economic co-operation, in which economic activity and the profit gained from it are overriding in comparison with social, cultural or other purposes. In advocating their members' economic profit, co-operatives manifest such strengths, as reducing transaction costs, in which case there is room for them in the field of economy. On the other hand, critical factors from the point of view of the functionality and popularity of co-operatives include participation costs and the realisation of mutual justice between the members. The profit gained should be proportional to the contributions made. In practise the application of this principle can prove difficult.

### CO-OPERATIVES AS THE REALISERS OF PUBLIC INTEREST

Co-operation has been noted to have many far-reaching effects on communities. The effects of co-operation that have been considered positive have been presented in many histories dealing with the development of co-operation. Co-operation as a method promotes communality. It supports the adoption of democratic decision-making. Because the members of a co-operative often represent a wide variety of public circles and do not exclusively take an owner interest, the overall interest of the members is seen to be in accordance with sustainable development. In co-operatives, entrepreneurship and the entrepreneur

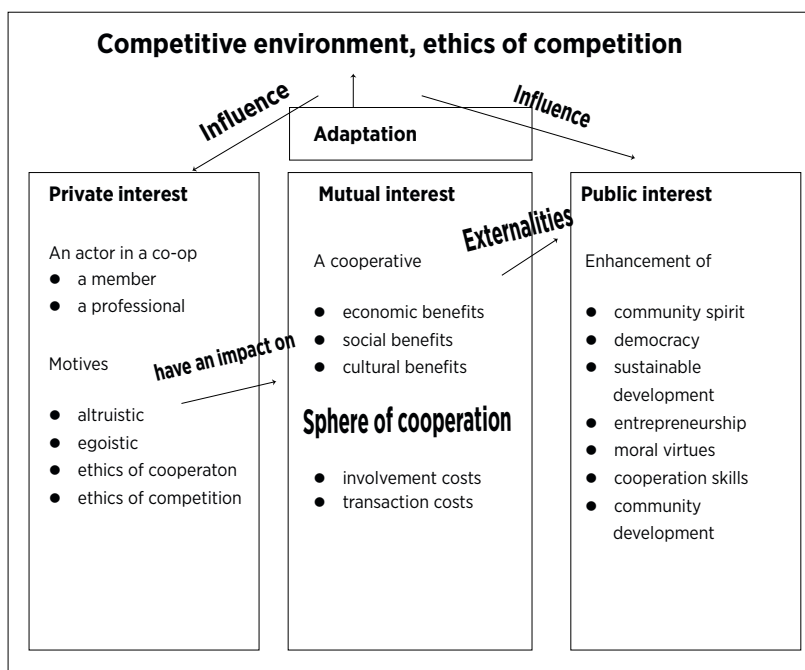


Figure 2.

spirit are strengthened. Solutions demanding co-operation teach the members to cater to other people's needs, too, and this is why the communality of co-operation has been seen to promote moral virtues. In co-operation self-seeking is not possible without allowing for other people's interests at the same time.

The reconciliation of private interest, mutual interest and public interest is, nevertheless, not without problems. Julian Le Grand<sup>4</sup> has paid attention to the problem of defining public interest. Non-profit-seeking organisations have been considered free from the pressures of maximising the economic profit of the shares, and that is why they can basically offer their users services with better quality and lower prices than organisations aiming only at profit. Thus public interest has been considered to better come true in non-profit-seeking organisations than in enterprises seeking the economic profit of private shareholders. Public interest is, nevertheless, not necessarily the same as the collective interest of the members or the management of co-operatives. The motives of the members and professionals of co-operatives can deviate from what the public considers to be in their interests.

A co-operative can have social goals, but they are set and accepted by the individual members of the co-operative. All the interest groups do not get their voices heard in the decision-making bodies of co-operatives. Even co-operatives have, in general, broken up to companies administered separately by the consumers, employees or the producers. In the history of co-operation, the polarity of the interests of the producers, the consumers and the employees has led to many disputes and to the formation of different groups. Reconciliation of competing interests is not needed only inside a co-operative between its members but also between broad social interest groups. Within co-operation, broadly based decision-making connecting different interests can be practised. Perhaps most significant from the point of view of the reconciling of different interests is the co-operative principle of one vote per member. Thus the weight of different interests is tied to the number of people, not to the amount of capital.

The consideration of the connection between public interest, private interest and mutual interest highlights another important issue, too. If the connecting of interests leads to inefficiency and substantial additional costs, it no longer serves

public interest through more affordable and better services or goods. In co-operatives, the importance and success of like-minded coalitions has been emphasised. The similarity of the motives and values of the participators increases the prerequisites for success of co-operative solutions. Conflicts and reversed conceptions concerning the purposes of the activity reduce the efficiency of the whole activity.

On the other hand, in co-operatives the motives of the actors to fully exploit all the resources are not necessarily as strong as in companies aiming at maximising the personal profit. From the point of view of the mainstream economic theory, workers' co-operatives do not employ as much as their profit-seeking counterparts, nor are they as innovative. Public interest can in certain situations call for maximum efficiency, in which case the companies following the signals of the market and maximising profit act more straightforwardly in compliance with this goal. Serving public interest is nevertheless not axiomatic, because from the point of view of sustainable development, economic efficiency is not the only factor defining public interest. How public interest is defined and who defines it are central questions in distinguishing different views. Economic theories easily delimit public interest to be defined by economic indicators. Interpretations of public interest including immaterial values are neglected when only economic conditions and parameters are considered.

## 5. CO-OPERATION UNDER THE PRESSURE OF THE ETHOS OF COMPETITION

Co-operatives and other enterprises have usually been compared from the point of view of the realisation of personal interest. It would be accurate to consider also how co-operative entrepreneurship deviates from owner-based profit-seeking business from the point of view of the promoting of public interest. Co-operation is based on the functioning of the market. Success in the marketplace is the life-blood of co-operatives, as of other enterprises. The sufficient efficiency of the business activity is the prerequisite of succeeding in the market competition.

Although co-operatives compete in the market, the attitude towards free competition is

4 Le Grand, Julian (2003), *Motivation, Agency and Public Policy: Of Knights and Knaves, Pawn and Queens*, New York.

nevertheless divided in co-operation. Within co-operation the competition between separate enterprises of the same kind is not emphasised as much as the competition between business models. Competition takes place also between ideas and ideologies. Methods are sought for to win favour with and the commitment of the consumers, employees or members. In different co-operatives different interest groups are emphasised. Worker co-operatives compete on behalf of the commitment and happiness of their employees so that the enterprises would succeed also in the market. For producer co-operatives, the most important thing is to efficiently attend to the interests of the producers and to respond to their wishes. In the co-operative model, however, competition between individuals and individual enterprises will be replaced by the pursuit of co-operation and mutual interest. Partially the phrasings of the questions in the co-operative study context are consistent with the viewpoints of mainstream business economics. In questions concerning ownership and the use of the profit the manners of examination differ, though.

Working together and the pursuit for mutual interest as the bases of co-operation have effects also from the point of view of the realisation of public interest. In co-operatives the member-owners do not act solely driven by financial motives. The increment of the return on investments is not the only motive. The benefit gained from the co-operative is bound to the use of the services provided by the co-operative. A member is essentially more comprehensively a member of her or his co-operative than a shareholder in a limited company. The variety of the different needs and wishes of people should be materialised through member democracy also in the business activity of the co-operative. For example, if the members of the co-operative feel that the advancement of environmental protection is an important part of the business activity, this should be seen in the activity of the co-operative.

Co-operative as an enterprise does not merely react to the signals of the market, but the members can directly, without market signals, affect the functioning of their co-operative according to their own values, motives and ambitions. In order for this to happen, the co-operatives need to keep up and develop democratic member administration. If the members of co-operatives are concerned about the sustainable development of the environment, the vitality of the immediate community or the realisation of social justice, the co-operative offers a more direct way to affect

the decisions of the enterprises engaged in business rather than wait for market signals to come across through the complex factors channelling the development of the market and through complex economic power structures.

Basically, the promotion of co-operation could be seen as a way to realise many ambitions serving public interest, ambitions that have been chosen to the strategic program documents of governments or international co-operation organisations. In practice, co-operation is seldom mentioned as an alternative to be reckoned with in strategies or programs promoting sustainable development. Would this be because people are not very familiar with co-operation or because they have lost their faith in the functionality of the principles of co-operation due to past experiences in the history of co-operative movement? Both these factors explain part of the scarcity of the disclosure of co-operational solutions. In spite of the failures in the past, co-operation also has a lot of proof of functionality and success. Have people lost their faith in co-operation and in the potential of co-operation only just in the conditions of the new global economy? The capacity of co-operation to react to the new challenges of global economy has been questioned.

The societal ethos emphasising the pervasive nature of the competition as well as the predominant economic theory based on the concept of free market competition are perhaps the most problematic matters from the point of view of promoting co-operative studies. These overwhelming perceptions lead to the marginalisation of economic co-operation because of its diverging values, emphasising communality and co-operation. In business economics, the competition between enterprises is seen as the basis of all efficiency and innovation; co-operation and teamwork have at most an occasional supporting role in competition. Competition has turned into a value for its own sake, which cannot be disregarded. The usefulness of competition is taken as a given, in which case also co-operation is seen as merely a potential competitive advantage. Here economic co-operation only has an adapting role. Provided that the self-understanding of co-operation is built upon a distinctive value base and the guiding principles derived from its values, this does not encourage the heightening of competition and the suppressing of the opponent. The aim is more like winning the opponent to one's side. Co-operation subordinate to competition is often valued just as long as it serves competitive interests. The strengths of co-opera-

tion are mostly connected to mutuality, security and the reduction of uncertainty, which are not considered worth pursuing as such in pure business logic. Instead, continuous change, adaptability and tolerance of uncertainty are valued in the business world.

The current competitive environment constrains the acquiring of the necessary skills and know-how required by efficient co-operation. The expectations of the society significantly affect the behaviour of the actors. Competition has extended from competition between enterprises to competition between internal assignments inside an enterprise. The operations of an enterprise can be outsourced to different parts of the world because of the lower production costs. Little by little, the values of competition have spread also outside of business activity. In the globalis-

ing economy, the competition between enterprises has expanded into competition between countries and even local governments. Countries or coalitions of them compete with each other for skilled labour, investments, capital, tourists, etc. Along with the ranking lists of competitiveness, barometers of efficiency and productivity estimates spread. Because the realisation of public interest is more and more often seen almost only from the viewpoint of competitiveness and the increase of efficiency, the recommendation of co-operative solutions in promoting the public interest is more and more challenging. This can be one explanation for the lack of interest to bring out co-operational solutions when considering ways to promote sustainable development and public interest in a wider spectrum.

**PART III**

**COOPERATIVE STUDIES  
AT AND COOPERATIVES  
IN UNIVERSITIES**



# THE FINNISH CO-OP NETWORK STUDIES PROGRAM. ITS SPECIFICS AND ITS PLACE ON THE MAP OF SIMILAR ACADEMIC STUDY PROGRAMS

PEKKA HYTINKOSKI AND MATHIEU DE POORTER

## INTRODUCTION

Interest in research and teaching concerning co-operatives and other social enterprises is growing worldwide. Not the least radical changes in the provision of public services, such as health care, education, utilities, the search for sustainable modes of enterprising, the repeated resilience of co-operatives in times of economic crisis and the economic success of large co-operative enterprises, especially co-operative banks and consumer co-operatives, have helped to reawaken this interest.

This growing interest can be seen in the number of doctoral dissertations and master's theses. In Finland, for example, more master's theses and doctoral dissertations on co-operatives have been written since 2000 than during the time of modern cooperative history since the beginning of the 20<sup>th</sup> century. Young people are interested in co-operatives and other forms of social enterprises as alternative forms of enterprise, in which equal participation, flexibility and the values of solidarity, locality and sustainable development are emphasized.

There is consensus worldwide that research and academic education does not match this renewed interest. One example to address the issue is the Finnish internet-based Co-op Network Studies Program (CNS-network). This article describes the specific features of the CNS-network, discusses some of the pedagogical implications of teaching the subject virtually and reports on a worldwide overview of similar programs in view of opening the CNS-network to students worldwide.

## THE FINNISH CO-OP NETWORK STUDIES PROGRAM

### THE ORGANIZATIONAL SET-UP OF THE FINNISH CO-OP NETWORK STUDIES PROGRAM

The CNS-network is a Finnish university network of co-operative and social economy studies. It is totally internet-based. The Ruralia Institute of the University of Helsinki produces, develops and coordinates the CNS-network in collaboration with the partner universities. Ten universities in Finland are partners of the CNS-network.<sup>1</sup>

The CNS-network was founded in 2005. It is one of the few Finnish university networks that survived the rise and fall of such networks in the first decade of this millennium. Many of the basic ideas for its pedagogy and content are the result of a longstanding relationship between the founders and builders of the CNS-network, Tapani Köppä and Eliisa Troberg, and Ian MacPherson.

The CNS-network offers students enrolled in any one of the partner universities the possibility to study co-operative and other social economy enterprise-related matters as a minor subject. Its teachers come from a wide range of disciplines and the subjects are taught with a multidisciplinary approach. Teaching and learning benefit also from close ties with Finnish co-operatives and mutuals.

The study program consists of five courses at the basic study level (bachelor's and master's degree studies) and five courses at the intermedi-

<sup>1</sup> They are the University of Helsinki (coordinator), the Aalto University (Business School) in Helsinki, the Lappeenranta University of Technology, the University of Eastern Finland in Kuopio and Joensuu, the University of Turku, the University of Tampere, the University of Jyväskylä, the University of Vaasa, the University of Oulu and the University of Lapland in Rovaniemi.



ate study level (master's degree and postgraduate studies). The students may choose any number of courses, however courses at the intermediate study level are only open for those who have successfully completed the three basic courses of the basic study level.

The courses are free of charge for students enrolled in one of the partner universities. In addition, students of the Helsinki Open University can choose basic study level courses against payment of a fee of 15 Euro/1 credit point. Any person can participate in the courses of the Helsinki Open University.

The courses are worth five credit points each, except for the students of the Aalto University Business School in Helsinki and of the Lappeenranta University of Technology, for whom the courses are adapted in order to allow them to earn six credit points.

Ca. 50 % of the funding of the CNS-network has come from the Finnish Co-operative Advisory Board<sup>2</sup> during the years 2009-2014; as of 2015 this rate is ca. 60 %. The remainder is covered through contributions by the University of Helsinki and the other partner universities. This is, to our knowledge, a unique model. The funding model for universities of the Finnish Ministry of Education and Culture requires outside funding. The CNS-network meets this expectation.

The CNS-network has a steering committee consisting of representatives of the partner universities and of the Finnish Co-operative Advisory Board. The tasks of the steering committee are, amongst others, to discuss operations, to approve the annual work plan and the budget and to elaborate annual reports to the member universities.

The courses have traditionally been taught in Finnish. For some time now, students have had the possibility to also use English as a study language for a number of courses. Much of the learning content is based on written or recorded material in English. In the future, the courses will be offered in both Finnish and English. This will allow university students in Finland, be they Finnish speakers or have a foreign language background, as well as students from universities abroad to participate. The aim is to also involve teachers from abroad.

In preparation of this "internationalization" we sought information about other institutions that offer academic level studies on co-opera-

tives. Such studies do exist elsewhere. But the question for us was how they compare with the CNS-network. What are the similarities? What are the differences?

To find an answer to these questions the Ruralia Institute received 5.000 Euro funding from the Finnish Co-operative Advisory Board in 2012 for the mapping of such institutions. The aim of the mapping study was to avoid unnecessary replication of programs which in times of the Internet can be accessed elsewhere.

Mathieu de Poorter collected relevant information in 2013. The results of this mapping study will be presented below. But before presenting the results of the study we would like to elaborate in more detail on the specific pedagogy behind the CNS-network.

## THE PEDAGOGY BEHIND THE FINNISH CO-OP NETWORK STUDIES PROGRAM

### HISTORY

Since 2005 ca. 1200 students from a large variety of disciplines have participated in the CNS-network courses, among them a number of students who are already working in different enterprises.

In this book Tapani Köppä writes that Finland has a history of co-operative education in universities of more than 100 years.<sup>3</sup> First lectures were given at the end of the 19<sup>th</sup> century during the University of Helsinki summer courses. The CNS-network is therefore a continuum of a long history. Its conceptualization benefited from the multidisciplinary identity and working concept of the Ruralia Institute into which the former Institute for Co-operative Studies had been merged in 2001, from the practice of networks over institutional borders and between universities, from experience in applied research and development work, as well as from good administrative capabilities to organize project activities.

Co-operative entrepreneurship is one of the special fields of expertise of the Ruralia Institute. It includes research, education and development activities. The aim was to build co-operative studies as a field of university research and education on firm grounds. That required partnerships. The first was the one with the University of Kuopio. Its know-how and that of Professor Juhani Laurinkari of the social economy constituted an added value for the Ruralia Institute. The aim of this partnership was to also participate in

2 The members of the Finnish Co-operative Advisory Board are Pellervo Society, SOK Corporation, which is owned by co-operatives, Tradeka and OP Co-operative Bank.

3 Cf. Köppä in Part III of this book.

regional university co-operation, especially with the regional polytechnics or universities of applied sciences.

The initial Co-op Studies project emphasized the benefits of both web study materials and self-study, especially in the planning phase. The project design was strongly influenced by the work and ideas of Ian MacPherson at the beginning of this millennium. The central outcome of the Co-op Studies project was that co-operation and social economy can be taught in the web in a multi-disciplinary way, content-wise interestingly and with workable and sometimes even experimental pedagogical methods. Because of the long planning and preparation phase and given the changes in the national policy on teaching through information and communication technology, the emphasis in the planning and realization of the e-learning gradually shifted to developing meaningful and more interactive e-learning. The results of this project were presented at the International Co-operative Alliance research seminar in Cork/Ireland in 2005 during a working group session chaired by Ian MacPherson.<sup>4</sup>

From 2006 onwards the Co-op Studies project continued as a virtual university project that strove to expand into a network of several universities. Funding was received also from the University of Helsinki and the Mikkeli University Consortium, at that time the umbrella organization of "outlets" in Mikkeli of the University of Helsinki, the Lappeenranta University of Technology, the University of Kuopio and the Helsinki Business School. All of these universities became members of the network. Later, the network expanded further. It now comprises, as mentioned, ten Finnish universities.

## THE ADVANTAGES OF E-LEARNING

The teaching of the CNS-network is carried out in the web. No other method would even be possible because the students, experts and instructors live all around Finland. We have exploited this method also for the purpose of case assignments and other assignments which test theory in practice. The availability of multidisciplinary and useful contents have been an asset when planning and implementing e-learning curricula. Conscious developing work has also been done in view of avoiding too behavioristic approaches. Development, evaluation and implementation of the teaching contents have defined our e-learning policy. Critical evaluation of the teach-

ing contents have increased the credibility. Since students come from various disciplines, their ideas and findings concerning case assignments bring viewpoints which are often new even to the teachers and experts.

Regarding those elements which either promote or hinder e-learning, researchers have discovered that nearly without exception the invisibility of the teacher and a general lack of interaction hinder the studying, whereas active teaching and instruction and a communicative atmosphere is seen to advance the studies and make the study process more meaningful<sup>5</sup>

The success of training/teaching depends on useful contents, the needs of the students and workable didactical and pedagogical methods. Meaningful teaching must be based on the principles, values and history of co-operation, including social development, and it must be based on latest research findings.

## CO-OPERATIVES AND E-LEARNING

Students often search for subject contents beyond their own disciplines and universities. Those who already work search for flexibility in terms of time and locality which allow them to accommodate the multiple requirements of work, family life, hobbies and studying. Today's students are also demanding and critical in terms of the study contents. They look for fresh, interesting and, most importantly, useful knowledge. For these reasons we need investing in teaching. Also, pedagogical development work must not be forgotten. Sufficient man-power for pedagogical planning and e-learning must be secured. Pedagogical planning includes optional teaching channels/methods alongside e-learning. The idea to combine e-learning with contact learning (blended learning) has received much approval.

The fact that the teachers and students come from a large variety of disciplines is a challenge, but at the same time it holds great potential. Markus Seppelin writes about the different elements and emphases of the subject of co-operation.<sup>6</sup> A balance must be struck therefore between these elements when developing new courses, especially when developing new subject clusters.

The idea of co-operation is going through a transition. It has to adapt to new demands. This will not happen by hiding the multidimensionality of the subject matter and the frequent incongruences in teaching to which this may lead. It rather requires continuous critical

4 The presentation was later published. Cf. Hytinkoski 2006.

5 Nevgi and Tirri 2003; Pöysä et al. 2007.

6 Cf. Seppelin in Part II of this book.

evaluation and the skillful combination of traditional contents with latest research findings.

## CO-OPERATIVES AND ENTREPRENEURSHIP EDUCATION

Co-operative studies offer their own kind of entrepreneurship education.<sup>7</sup> Their specificity enables students to gain a rich and encompassing view of the diversity of the enterprise world and of economic and social life.

Co-operative studies, including student co-operatives as a pedagogical tool, could also serve higher education in general. Co-operative studies could be connected to the need of the universities to develop their entrepreneurship education; co-operative educators could connect their resources and goals with those of entrepreneurship educators.<sup>8</sup> Eliisa Troberg writes about student co-operatives in Finnish universities of applied sciences and discusses some of these issues.<sup>9</sup>

Eventually students of the CNS-network program move on to the world of work, to different jobs, companies and organizations. Their knowledge of co-operative entrepreneurship is of use to many, whether that be by them working in a co-operative or not.

## A WORLDWIDE OVERVIEW OF ACADEMIC CO-OPERATIVE STUDY PROGRAMS

### METHOD

In view of its aim, the mapping of academic co-operative study programs was based on the following criteria:

- i. Research-based teaching provided by a singular institution or through a network of institutions
- ii. Study level. Academic (bachelor, master and doctoral) or training?
- iii. Type of teaching. Classroom teaching, e-learning, blending, other?
- iv. Type of planning and implementation. Tutoring, other?
- v. Multidisciplinarity, interdisciplinarity
- vi. Content. Only co-operatives or also other social economy enterprises?
- vii. Co-operative studies as a minor or as a major subject?

- viii. Possibility to study singular modules or modules organized as obligatory clusters
- ix. Study language
- x. Fees

## RESULTS

The material was collected from around the world. Due to time and financial constraints, as well as to language barriers (English and French), it is not exhaustive. Only two years have elapsed since its completion. However, during this short period of time a lot has happened as far as co-operative studies is concerned. The results reported here should therefore be read bearing these caveats in mind.

The rather high number of universities and training centers that do in fact offer co-operative studies and training courses came as a surprise. The following text summarizes the findings under each of the criteria listed in the previous point.

### i. Research-based teaching provided by a singular institution or through a network of institutions

Whereas single institution-based programs are the majority, especially in Asia, major studies and larger training programs are often organized with partners or through networks. Research-based teaching through a network is especially to be found in Latin America, where also the other criteria of this study are often met.

Often networks include co-operative organizations, interest groups and other stakeholders.

### ii. Study level. Academic (bachelor, master and doctoral) or training?

The study level varies according to whether single modules may be chosen or whether bachelor, MSc. or other programs are offered. Only Few PhD-level studies are possible. The most frequent form is however co-operative training.

### iii. Type of teaching. Classroom teaching, e-learning, blending, other?

The number of courses with “only” classroom teaching is decreasing and so-called blended learning, which combines classroom teaching with the Internet, is becoming

7 On the topic of entrepreneurship education, cf. Ministry of Education Finland 2009.

8 Hytinkoski, Kiilavuori and Seikkula-Leino 2012.

9 Cf. Troberg in Part IV of this book.

ing more and more common. But, so far only ca. 1/3 of the programs has adopted new technologies (blended learning, learning materials). Most programs do not yet use the possibilities of digital media and e-learning. Ca. 10-15 % of teaching is delivered only through the Internet. E-learning was the least used in Asia and in Germany, whereas in Latin America almost 2/3 of the programs use e-learning in teaching.

**iv. Type of planning and implementation. Tutoring, other?**

Information on this criterion was difficult to obtain. Organizations with long experience and good networks seem to plan carefully and in collaboration with experts in pedagogy.

Commercially oriented programs seem to use more frequently guided interaction and tutoring as methods. They also seem to make more use of good practice examples than other programs.

**v. Multidisciplinarity, interdisciplinarity**

When co-operative studies are placed within one university faculty or department, they are seldom multidisciplinary. More often than not, multidisciplinary study contents are the result of networking. They are rather frequent and can be found not the least in co-operative training, for example for co-operative managers.

**vi. Content. Only co-operatives or also other social economy enterprises?**

A vast variety of subjects is being taught, especially in degree courses and in larger training clusters. Topics range from co-operative business management and leadership, accounting, auditing and law to history, philosophical and pedagogical topics human behavior and adult psychology. Social economy enterprises are also dealt with in some courses, together with co-operative subjects, especially in view of social responsibility and social innovations. Co-operative values and principles are mentioned almost in all programs.

**vii. Co-operative studies as a minor or as a major subject?**

Larger subject clusters are rather rare, especially at the undergraduate level. But B.A.

programs on co-operatives, M.A. program on co-operative accounting and M.A. programs on co-operative management do exist. Many of the larger co-operative subject clusters are part of continued education/commercial training.

**viii. Possibility to study singular modules or modules organized as obligatory clusters**

There are both singular modules and larger subject clusters with different co-operative topics on offer. But only few universities or networks offer obligatory clusters. It seems that within such larger clusters some obligatory subjects can be found. But this remained somewhat unclear.

There are organizations with a long tradition of co-operative studies, like for example Ambo University in Ethiopia, the Co-operative College of Malaysia, the European Research Institute on Cooperative and Social Enterprises (EURICSE) in Trento/Italy, the University College Cork/Ireland, the Universität zu Köln/Germany and Saint Mary's University in Halifax/Canada.

**ix. Study language**

English is the dominant study language, but a lot of teaching is also being dispensed in French (in France, in so-called francophone Africa and in some parts of Canada), Spanish (Spain, Central and South America), and Italian. Germany seems to have a long history in teaching of the co-operative business model and a lot of written material is available in German. Because of the strong co-operative education activity in Malaysia, India, Thailand and Philippines the same could be true there as well.

**x. Fees**

Many courses are offered at low or reasonable costs for the students. In many countries students pay tuition fees for their university studies. That allows them to access also some of the co-operative education courses, for free or at low costs. Network courses tend to be more expensive than other courses.

Interestingly, high level and costly programs are offered mainly for managers who are already working in co-operatives. These programs are usually created in partnerships and in networks of different stakeholders,

including co-operative organizations. Especially universities in North America offer this kind of high quality training and they want to develop their own versions based on this experience for their students.

The details of the findings can be found by downloading the mapping.<sup>10</sup>

## CONCLUSION

Even when considering the limitations of this study (time, resources and language) the quantity and the quality of the cases found came somewhat as a surprise and put in question some of our assumptions.

Ever more academic co-operative studies are being developed all over the world, often through cooperation of different universities and organizations. Often, other institutions excel when compared to the CNS-network. But, when considering all of the mapping criteria, the CNS-network has a niche position. The specific combination of the criteria, together with the specific pedagogy, seems to be a unique asset and could make the CNS-network an “exportable” program. Given that, as already mentioned, ever more co-operative study programs are being developed, its ten year experience is an additional advantage.

Interestingly, Ian MacPherson, in whose memory this book is published, had come to similar conclusions already some time back. He was of the opinion that the development of free of charge, open internet data resource bases of co-operative teaching/learning material would support the global networking for co-operative teaching and the research and development work that this requires.<sup>11</sup> Few web courses and digital learning materials have since become open-access and free of charge. This could eventually also affect the commercial training programs and other university programs. It might be a matter of time before the first MOOC-courses on co-operatives will be offered. This appears as the next logical step. With the development of interactional new technology, like blogging combined with Facebook, Instagram and Twitter components, tablets and smart phones and the rise of non-formal learning the time for the realization of Ian MacPherson’s ideas might be ripe.

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10 [http://www.helsinki.fi/ruralia/koulutus/coop/Mapping\\_CoopEducProg.xlsx](http://www.helsinki.fi/ruralia/koulutus/coop/Mapping_CoopEducProg.xlsx)

11 Cf MacPherson in Part II of this book. Cf. also Smith, Puga and MacPherson (Eds.) 2005; McCarthy and MacPherson (Eds.) 2006; MacPherson 2008; MacPherson 2012;

Pöysä, J., Hurme, R-T., Launonen, A., Hämäläinen, T., Järvelä, S. and Häkkinen, P. 2007. Millaista on laadukas yhteisöllinen oppiminen verkossa [What does quality interactive web-based learning look like]? Osallistujalähtöinen näkökulma yhteisöllisen oppimisen ja toiminnan käytänteisiin Suomen virtuaaliyliopiston tieteenalaverkoston verkkokursseilla. Suomen virtuaaliyliopiston julkaisuja 3/07. Helsinki: Paino Multi-print Oy.

Smith, J., Puga, R. and MacPherson, I. (Eds) 2005. Youth reinventing co-operatives – young perspectives on the international co-operative movement. British Columbia Institute for Co-operative Studies 2005. Available also (15.9.2015) at: <http://www.uvic.ca/research/centres/cccbe/assets/docs/publications/RochdalePress/YouthReinventingCoops.pdf>



# CO-OPERATIVE STUDIES IN FINLAND: PAST, PRESENT AND FUTURE<sup>1</sup>

TAPANI KÖPPÄ

## INTRODUCTION

This text gives a short overview of the education of co-operatives in the Finnish universities during one century's time. Main emphasis is laid on the last two decades, mirroring the changes of co-operatives as economic actors in the Finnish society, on the one hand, and impacts of the international debate of co-operative identity, on the other. This story is devoted to the memory of Professor Ian MacPherson, great story-teller, to thank for his inspiring speeches, writings and empathy as introducer and promoter of the message and practices of co-operation and co-operatives.

Finland was interesting to Ian MacPherson as a country with strong co-operatives, because of their social foundations, institutional impact and roots in the Nordic mentality. The story of Sointula<sup>2</sup> [The place of harmony], a co-operative utopian community of Finnish settlers established in 1900 in Malcolm Isle in British Columbia near Vancouver was exciting to Ian because of its spirit of community and living in harmony with nature. While reading the stories of the Moomins to his grandchildren,<sup>3</sup> Ian made the mysterious Nordic twilight and spirit alive. Beyond official targets of sustainable development, the utopian spirit may exist inhibited in the minds of people, longing for peaceful community life in co-operation with people and nature.

As historian, Ian MacPherson knew how to combine the great story of co-operation with the deep structural changes of the society (*histoire*

*structurelle*), institutional progress and development (*histoire conjoncturelle*) as well as the events, actions and actors now and here (*histoire événementielle*). Ian MacPherson's influence can be seen in the Statement on the co-operative identity of the International Co-operative Alliance, highlighting the sustainable principles of co-operatives wisely as competitive advantage today and tomorrow. The international debate has inspired researchers around the world, while co-operatives also have got more publicity as an alternative model to current socioeconomic problems. There is, however, agreement about the marginality of economic co-operation and co-operatives in the curricula of universities. Ian MacPherson's contribution to change this situation was remarkable worldwide. He has developed and enriched the contents of co-operative studies, and he has encouraged his friends and colleagues in practice. This was his role in the renewal of the co-operative studies in the Finnish universities, too. Following Ian's teaching, this story of co-operative studies in Finland will not be complete without understanding the historical context. This includes the meaning of education to the learning of co-operation in the international context, too.

*The Statement on the co-operative identity of the International Co-operative Alliance* includes an obligation to education, learning and communication for the co-operatives around the world. This statement, included already in the rules of the Rochdale pioneers in 1853, was called by G.J. Holyoake<sup>4</sup> the *golden rule* of the Rochdale co-operators, safeguarding the success and popularity of their co-operative. The request for co-operative education was included in the Recommendation No. 193 concerning the promotion of co-operatives by the ILO in 2002<sup>5</sup>. Further, the most authoritative recognition of co-operatives was expressed by the declaration by

1 The text is based on: Köppä, Tapani, Troberg, Eliisa and Hytinkoski, Pekka (2008), *Osuustoiminnan yliopisto-opetuksen aikamatka Suomessa* [Co-operative studies in the higher education in Finland], published in: *Tieteestä tekoja* [Put Research to Action]. Ruralia-instituutti 20 vuotta. [Ruralia Institute 20 Years] (toim. Sami Kurki ja Riitta Kaipainen), University of Helsinki, Ruralia Institute, Publications 14, 2008, 141-159.

2 <http://www.sointulan.ca/sointula/>. The founders of Sointula were deeply influenced by the myths of the Finnish national epic Kalevala.

3 <http://en.wikipedia.org/wiki/Moomin>. Ian told me about the enthusiasm of his grandchildren while listening to him reading Moomins before sleeping.

4 Holyoake, G.J. (1893), *The history of the Rochdale pioneers, 1844-1892*. London.

5 2002 ILO Recommendation No.193 concerning the Promotion of Cooperatives.



the United Nations of 2012 as the International Year of Cooperatives<sup>6</sup>. According to the declaration, academic organizations are considered major partners of co-operative societies and public authorities to promote the co-operative idea and practices and make their role recognized by politicians, media and the public. Education of co-operation plays an important role in the world looking for co-operative, win-win solutions to safeguard sustainable economic development and communities globally and locally.

The existence of co-operative studies as an academic subject in the Finnish universities was critical during the renovating program of the University of Helsinki in the 1990s. The only chair of co-operative studies was cancelled at the University of Helsinki, and there was little understanding and demand for the teaching of co-operative studies in the curricula of any faculty. Survival of the discipline needed a new approach, meaning fund raising outside the university and looking for international partnerships to satisfy the university of its renewal and dynamic future prospects. This became true through several promoting projects for new co-operatives responding to the demands of fighting high unemployment, and joining international benchmarking projects with European partners to promote new co-operative development. A new approach was also needed to bring the teaching of co-operative studies closer to practical needs of the society, working life and enterprises. Action oriented case method was learned, calling for multidisciplinary as the planning scheme for co-operative studies.

The central role of Professor Ian MacPherson is well known behind the Statement on the co-operative identity adopted by the International Co-operative Alliance in 1995.<sup>7</sup> As a member of the academic society he made major initiatives to combine researchers to work on multidisciplinary themes and developed co-operative studies to include courses for students of different curricula in humanities as well as economics, politics and social sciences. The revival and re-orientation of co-operative studies benefitted of Ian MacPherson in Finland, too, even quite concretely, as a mentor and friend.

Among the joint international projects for strengthening co-operative studies, particular mention should be made of the initiative by Ian

MacPherson entitled *Mapping co-operative studies*, which was discussed at length at the ICA research conference at the University of Victoria in 2003. After the conference Ian MacPherson visited Finland and his encouragement was of special significance as a step towards constructing a multidisciplinary teaching network here. The new concept was implemented in the form of a joint project involving the Universities of Helsinki and Kuopio, and the first pilot study modules were placed on the web in 2003-2005. This activity led to the establishment of the recent program of Co-op Network Studies,<sup>8</sup> including eight<sup>9</sup> universities and coordinated by the University of Helsinki Ruralia Institute. During recent years, also research of co-operatives has benefitted of favorable climate in Finland: big co-operative firms together and through the Finnish Co-operative Advisory Board have sponsored academic dissertation works and other research projects in different universities. Lappeenranta University of Technology established a chair of co-operative studies in its section of business studies in 2013.

## CO-OPERATION BASED ON SOCIAL NEEDS AND EDUCATION

Attempts to establish co-operative studies into the university curricula in Finland are almost as old as the co-operatives themselves. First university lectures were given in the late 1890s by Dr. Hannes Gebhard at the summer courses of the University of Helsinki concerning "Farmers' co-operatives abroad" and based on Hannes Gebhard's and his wife Hedvig's study visit to Germany, where they had been acquainted with farmers' co-operatives<sup>10</sup>. In those days the situation of rural landless population was the most crucial social problem in Finland, and Gebhard recognised co-operation and promotion of small scale farming as the only means for rural people to get their position improved. Gebhard got warm support for his ideas from prominent Finnish leaders in politics, cultural and economic life, because the rural question was an important national issue to be taken care of to win peasants' support to moderate reforms instead of radical socialistic activities, and to increase the

6 <http://social.un.org/coopsyear/>

7 Ian MacPherson's book (Co-operative principles for the 21<sup>st</sup> century, Geneva: International Co-operative Alliance, 1996) has become the most important introduction and opening to the ICA Statement to be taught around the world.

8 Cf. also contribution by Hytinkoski and de Poorter in Part III of this book.

9 Note by the editors: now ten Finnish universities are partners of the Co-op Network Studies Program.

10 Mäkinen, Riitta and Sysiharju, Anna-Liisa (2006), Eteenpäin ja ylöspäin [Forward and upward]. Hedvig Gebhardin osuus ja toiminta, Helsinki: The Kustannusosakeyhtiö Otava

national identity of the rural people in times of hard Russian panslavistic pressures towards the autonomic institutions of Finland as part of the Russian empire<sup>11</sup>.

Based on Gebhard's initiative, the Pellervo Society was established in 1899 to work as the central promoter of the co-operative idea and its applications in Finland. Pellervo gave birth to most rural co-operative central organisations in the fields of savings and credits, insurance, marketing of agricultural products, as well as numerous small local cooperatives in utilising joint machinery and other resources between farms. The first consumer co-operative societies were also established among rural and city people, and SOK, the central union of consumer co-operatives was established in 1904. Later, in 1916, because of diverging rural and urban interests in organisation and decision making, the consumer co-operatives were divided into two separate consumer co-operative groups, "rural" SOK and "urban" KK. This division was sharpened by the political contradictions between the so-called "White" and the so-called "Red", leading to civil war in 1918, shortly after Finland had declared independence (December 1917). During the first decades of Finland as an independent nation, the co-operative movement was divided into two competing groups: Pellervo and SOK, called politically neutral or bourgeois co-operatives, and KK, called progressive E-co-operatives with leftist sympathies.<sup>12</sup> Now the burdens of this ideological division among co-operators have disappeared with the change of generations and recognition of practical shared advantages in joint co-operative business operations.

From the beginning, the promotion of co-operatives in Finland was a more pragmatic than theoretical question. Co-operation was discussed and learned in small peasants' associations and workers' clubs meetings, often with introductory speeches by Pellervo consultants. Advisory leaflets, the magazine "*Pellervo*" and model rules of co-operatives were used to disseminate the co-operative practices among the people. Arousing political activity favoured also the message of co-operation among worker class and rural population. During the first decades of the 20<sup>th</sup> century

Hannes Gebhard took care of the professorship of agriculture and economics at the University of Helsinki, and he gave occasionally lectures in co-operative matters, too.<sup>13</sup> Attempts to introduce co-operative studies as university curriculum at the University of Helsinki did not succeed, however. This was mainly because of the disagreement between the state authorities expecting the co-operative organisations to take responsibility of funding the chair of co-operative studies at the university, and the co-operative societies demanding co-operative studies the same treatment as was applied to university teaching in general, namely to be covered by the government from the state budget, too. Co-operative studies became an academic discipline, however, during the 1920s. A new private People's College, established in Helsinki in 1925, included co-operative studies into its curricula in exchange for co-operative organisations joining the fund of the college. The People's College opened its doors for academic studies to talented young people, who did not have the possibility to go to upper secondary school for studies at the university. It was called a "university of peasants and workers" because of its background and orientation. The People's College shortly changed its name to School of Social Sciences, and in the 1950s it moved from Helsinki to Tampere. Now it continues as the University of Tampere, a leading Finnish university in the field of social sciences.

## ACADEMIC FOUNDATIONS OF CO-OPERATIVE STUDIES IN THE UNIVERSITY OF HELSINKI

Moving to Tampere left the funds of the previous People's College free, and the co-operative societies started again negotiations with the University of Helsinki to get co-operative studies included in the teaching there. The Co-operative Research Fund was established in 1956, and the Institute for Co-operative Studies started the following year to take care of teaching co-operative studies for university students, mainly at the faculties of political science and agriculture and forestry. Ten years later, in 1966, co-operative central organisations, including Pellervo, SOK and the E-co-operatives, donated means for the Univer-

11 Karhu, Sami, The cooperative economy and its strategies, in: Kuisma, Markku/Henttinen, Annastiina/ Karhu, Sami/Pohls, Maritta (1999), The Pellervo Story. A century of Finnish Cooperation, 1899-1999. Pellervo Confederation of Finnish Cooperatives, Helsinki: Kirjayhtymä Oy, 73-86.

12 Aaltonen, Esko (1954), Consumer co-operation in Finland: the development of the joint Finnish co-operative movement to 1917 and a survey of the progressive co-operative movement after the separation. Helsinki. Kulutusosuuskuntien keskusliitto.

13 Pohls, Maritta (1999), Hannes and Hedvig Gebhard: Pioneers of Pellervo cooperation, in: Kuisma, Markku/ Henttinen, Annastiina/ Karhu, Sami/Pohls, Maritta (1999), The Pellervo story. A century of Finnish Cooperation, 1899-1999. Pellervo Confederation of Finnish Cooperatives, Helsinki, Kirjayhtymä Oy, 25-28.

sity of Helsinki to establish a professorship for co-operative studies. The professorship was defined as “professor of social policy”, especially co-operative studies. This process was preceded by attempts of the co-operative societies to get the chair of co-operative studies established at the Helsinki School of Economics, but the discipline was not regarded suitable for the business studies at that time. According to the Finnish regulations of those days, the donation of the means for the professorship was paid by the co-operative donors to the University of Helsinki for five years, and thereafter the university was allowed to get the funding of the chair to be included in the state budget for permanent funding from the state. In the late 1970s, the co-operative societies closed down the Co-operative Research Fund, and made another donation to the University of Helsinki to establish a senior lecturer vacancy for co-operative studies. Both of these academic vacancies were results of long-term aims of the Finnish co-operative societies to get recognition for the co-operative idea and its practical forms in academic studies, referred to as equitable model of entrepreneurship in the society.

Several Finnish traditional co-operative societies experienced economic hardships and losses during the late 1980s, leading to a few huge bankruptcies and diminishing market competitiveness of several big co-operative societies. The image of co-operatives was quite low among the people, both members and non-members. Big co-operatives started restructuring their administrative structures and business processes in a challenging market environment.<sup>14</sup>

Also, the esteem of co-operation and co-operatives was not high at the University of Helsinki during the turn of the 1980s to the 1990s. In an interview concerning the modernisation of the university the chancellor of the university characterised co-operatives as an “invent of the age of steam engines” and referred to co-operative studies as a relic not recommendable to communicate the modern image of the university to the society. The retirement of Professor Vesa Laakkonen from the chair of co-operative studies in 1990 gave reason for the university to close down the chair. Hard negotiations between the university and the co-operative societies led, however, to the establishment of a new Institute for Co-operative Studies in 1991 as a separate institute of the Faculty of political sciences at the University of Helsinki. The aim of the institute was to

compensate the loss of professorship by means of creating a light co-operative network to maintain teaching of co-operative studies, promoting multidisciplinary research and undertaking schooling and training as well as development project activities for co-operative enterprises and interested groups of people.

## THE INSTITUTE FOR CO-OPERATIVE STUDIES: MULTIDISCIPLINARITY, INTEGRATION OF R&D AND EDUCATION

The challenges of the Institute for Cooperative Studies were remarkable. Its multidisciplinary concept was not familiar to the traditional academic bureaucracy, organised according to the niches of specialised scientific institutes. Big co-operatives were disappointed by the decision of the University of Helsinki to close down the professorship, and their interest to give support to the new, experimental model of co-operative education was low. In this situation, the Institute for Co-operative Studies chose to concentrate its tiny resources to investigate, evaluate and promote emerging new forms of co-operatives, a very exceptional phenomenon in Finland in the early 1990s. There was, however, growing interest to get information from new co-operative solutions to be applied in rural development needs, in furthering small-scale entrepreneurship and including handicapped and other groups of unemployed people to the working life.<sup>15</sup> The Institute for Co-operative Studies got funding from several ministries, especially from the Ministry of Labour and the Ministry of Agriculture and Forestry, to undertake investigations, case studies and produce advisory textbooks for co-operative development activities.

Later, after Finland had become member of the EU in 1995, the institute joined actively in partnerships with other European universities and co-operative development agencies in EU-funded research and development projects. The Institute for Co-operative Studies took an important role as a link of the Finnish new co-operative researchers and actors to the European development and debate on this field. The institute organised schooling and coaching for co-operative

14 Karhu, op. cit.; Herranen, Timo (2004), *Onwards together: SOK 100 years 1904-2004*, Helsinki: Edita.

15 Köppä, Tapani (2005), *Globalisation of the Cooperative Movement*, in: Gangopadhyay, Partha and Chatterji, Manas, eds., *Economics of Globalisation*. Ashgate Publishing Company. MPG Books Ltd, Bodmin, Cornwall, UK., 163-177.

development agents, promoted their networking and participated in national programmes to further new co-operation. During the deep recession of the Finnish economy in the early 1990's, co-operatives became especially popular amongst the unemployed, who established workers' co-operatives all around the country.

The concept and achievements of the Institute for Co-operative Studies in the promotion of co-operative entrepreneurship aroused interest outside of the University of Helsinki. This interest led in 1996 to the transfer of the Institute to Mikkeli, situated in the province of South Savo in Eastern Finland, based on funding through the ESF (European Social Fund). During the 1990s the concept of the Institute for Co-operative Studies was based on applied research, case study method in providing coaching and schooling for the establishment and furthering of new co-operatives, and active international partnerships with co-operative university and development organisations. Amongst others, the institute participated in organising international seminars, for example on the promotion of co-operatives in Africa, and in discussing the theme of "concern for community" in a globalising world, a theme which ranks as one of the seven principles in the then new ICA Statement on the co-operative identity. Project funding was given to the Institute for example by the Finnish Ministry of Agriculture and Forestry to develop rural co-operatives in Estonia and by the EU Commission to benchmark and produce training materials for new co-operatives. Among these experiences could also be mentioned the most inspiring talks with Ian MacPherson, concerning the multidisciplinary, action-oriented project model of the Institute, while Ian was preparing the establishment of the British Columbian Institute for Co-operative Studies in Victoria.

At the end of the 20<sup>th</sup> century co-operatives were known in Finland as established big organisations. Co-operatives were almost non-existing in small-scale entrepreneurship, and there was not much interest or experience in the practical needs of the co-operative SME's among the experts of big co-operatives. What was needed, in the first place, was to provide co-operative education for the practical needs of the people: unemployed, rural entrepreneurs, village activity groups, team entrepreneurs in different fields of activities and know-how. Courses of co-operative studies were taught also in university basic education, as part of the main disciplines, like business economy, agricultural economy

and social policy. Thus students did not get interested in the subject. Students did not know new co-operatives and their image of traditional co-operatives was old-fashioned, too. Adult education, project activities and advisory services were actually the most effective way of the university to educate and train co-operators and disseminating the results to a larger public at the same time. Co-operative entrepreneurship, applied in different fields of activities, got positive interest and became well-known all around the country during the 1990s through the media, especially through local newspapers.

At the turn of the century the position of the Institute for Co-operative Studies was re-evaluated by the University of Helsinki. Its multidisciplinary concept could not be evaluated rationally by means of specialised subject sciences, especially because of the need to integrate both social and economic points of departure together. This had been a very natural approach in the case studies of co-operative SME's, connected also with close interaction between theory and practice.

Inside the University of Helsinki, the Centre for Rural Research and Training in Mikkeli proved interested to include co-operative studies into its working concept, and the rector of the university decided to merge the Institute for Co-operative Studies into the centre. Before the decision, exploratory inquiries had been made between some other universities and co-operative organisations about the possibility of establishing a common network institute for co-operative studies together. The initiative failed, however, because of financial reasons and differing views about the functional concept of the new institute.

## RECOGNISING CONTEXT: SEARCHING FOR THE ROOTS OF CO-OPERATIVE STUDIES

In the deepest meaning of the word and its structurally most permanent expressions, co-operation belongs to the core of any society and theory of human interaction, whether economic or social. Co-operation as a phenomenon is older than the modern organised co-operative societies, based on the Rochdale principles. Hunters, nomads, and ancient agricultural societies as well as earliest cities are all known to have developed organised co-operation. In his book on the evolution of human co-operation, Robert Wright describes how the human history has created ever

higher levels of cultures by means of applying co-operative, win-win solutions to create prosperity, use more complicated technology and learn to share information for the common benefit of the whole of mankind.<sup>16</sup> The long-term structural role of co-operation will be at least as important as competition in explaining development. Theories of co-operation are urgently needed to alter the distortions towards competition in the basic assumptions of economic theories<sup>17</sup>.

The story of co-operative studies in the Finnish university education reveals examples of attempts to combine differing frameworks together: e.g. rural vs. urban environments, industrial production vs. services and know-how, local and national vs. global concerns, business economical (organisational) vs. social scientific (community) frameworks, sectoral vs. multifunctional approaches, individual vs. social responsibilities and common vs. personal values. Conflicting interests between and within co-operatives, university disciplines and the state have been common concerning the importance given to co-operative studies in higher education. The result has been instability and marginality of co-operative studies in the curricula of the universities for long.

Recently, co-operatives, public authorities and universities have taken steps towards a common understanding of the importance of co-operative education. The short-sighted reasons for that seem to be connected with the successes of co-operative societies in the market competition. Interpreting the long-term experience of co-operative studies at the Finnish university education, the common understanding of the meaning

of co-operation should, however, be based on a long structural historical framework to lead towards lasting results. Relying on powerful institutions could lead to less dependence of their interests of funding research and choosing subject matters of education. Cultural lack of institutions may also prevent critique and change of prevailing practices and management of co-operatives. On the other hand, at the level of events, new approaches may be opened and the utopian energy of co-operative structures could be transformed into concrete utopias, like the worker co-operatives of the unemployed in Finland during the 1990s<sup>18</sup>. Applying co-operative learning in the development of established co-operatives may also help keeping the co-operative spirit alive.

Scientifically based co-operative education may find its best background while combining deep understanding of the multifunctionality and interdisciplinary character of co-operation in the structures of the society with sensitive reflection of the future needs of people to fulfil together their individual and collective dreams. There may be a small drop of this co-operative ability to create concrete utopias in the network of eight<sup>19</sup> Finnish universities participating in the provision of interdisciplinary Co-operative Studies curriculum for their students, by means of information technologies as e-learning. Another example, student co-operatives in several Finnish polytechnics, is presented also as a co-operative innovation and co-operative solution leading to the future, with people qualified in co-operative spirit and capabilities.<sup>20</sup>

16 Wright, Robert (2000), *Nonzero. The logic of human destiny*, New York: Pantheon Books.

17 Beinhocker, Eric D. (2006), *The origin of wealth. Evolution, complexity, and the radical remaking of economics*. Random House Business Books UK.

18 Köppä, op. cit..

19 Note by the editors: now ten Finnish universities are partners of the Coop Network Studies Program.

20 As for cooperatives in Finnish universities of applied sciences cf. Troberg in Part IV of this book.

# UNIVERSITY COOPERATIVES IN NURTURING 21<sup>ST</sup> CENTURY SOVEREIGN CITIZENS: FOR THE INTERNATIONAL DECADE OF CO-OPERATIVES, 2011-2020<sup>1</sup>

KOKICHI SHOJI

## INTRODUCTION

In Japan, most student services are provided by university co-operatives, whose members include students and other university personnel. 92 % of national universities, 40 % of public universities, and 15 % of private universities have university co-operatives, and 41 % of all university students are members of university co-operatives.

In this paper I would like to explain this student services model and discuss its global significance, the historical processes that led to its establishment, and the kinds of services it offers at present. I would also like to show the implications of this model for the formation of democratic societies around the globe and the increasing role of *sovereign citizens* in making the 21<sup>st</sup> century world.

The purpose of university education is becoming more and more to turn students into sovereign citizens and the role of university co-operatives is becoming increasingly important in this process.

## JAPAN'S UNIVERSITY CO-OPERATIVES IN THE CONTEMPORARY WORLD

### THREE PRINCIPAL STUDENT SERVICES MODELS IN THE WORLD

My own experiences in international exchange have revealed three principal models for student services around the world.

In Europe, student services are made available through government-backed organizations such as DSW (*Deutsches Studentenwerk*) in Germany and CNOUS (*Le Centre national des oeuvres universitaires et scolaires*) in France. These organizations, which receive government assistance to provide collective management of dormitories, dining halls and scholarships, are housing and feeding students, and helping them study and graduate to become sovereign citizens.

In the United States, student services are made available by universities themselves, backed by government assistance and private foundations. Utilizing assistance offered by governments and private foundations, universities themselves provide dormitories, dining halls and scholarships, while university shops set up by outside companies sell textbooks and other daily necessities. Essentially, it is the universities themselves that house and feed students and aid them in their studies to graduate and become sovereign citizens.

In comparison with these systems, in Japan, student services are made available by university co-operatives, despite insufficient government assistance. Japanese universities have not been enthusiastic about increasing dormitory space, in light of the ways that dormitories have been used by student movements in the past. The adminis-

<sup>1</sup> This paper was originally written on the basis of three papers that were given at the following international conferences. First, the International Bologna Conference "Development of the Social Dimension: Stocktaking and Future Perspectives of Student Services/Student Affairs in the European Higher Education Area", Berlin, July 2011; second, the International Conference on Student Co-operativism in Asia "Converging, Cooperating, Creating New Paradigm", Manila, September 2011; and third, the International Seminar on Student Support and Services at Higher Education (between Japan and Germany), Tokyo, November 2011. I have made some revision based on the experiences after publishing the first version. Professor Bruce Allen, Seisen University, Tokyo, has kindly checked my English. I thank him from the heart, although the final responsibility is mine.

tration of scholarships has been entrusted to the Japan Scholarship Foundation (later the Japan Student Services Organization) and, as a general rule, these scholarships are presently offered as loans.

Students in Japan do not have adequate access to housing, and the scholarships available are also insufficient. Co-operatives are now relied upon to provide meals and other products and services necessary for campus life, and they are making every possible effort to improve housing and scholarships as well.

## **HISTORY AND CHARACTERISTICS OF JAPAN'S UNIVERSITY CO-OPERATIVES**

Japan's university co-operatives are characterized by six major features.

First, they are spontaneous organizations. Japan's university co-operatives were established and funded as co-operative corporations by university students and faculty in the impoverished conditions that Japan faced following the end of World War II. Second, they are run by democratic operations. Operating policies are decided in a one person/one vote democratic fashion, and operations are carried out by full-time and part-time workers. Third, they are developed on a non-profit business model. University co-operatives operate on a not-for-profit basis in accordance with the Consumers' Co-operative Associations Act. Fourth, profits are therefore returned to co-operative members. The fruits of co-operative activities are returned via the prices and quality of the products provided to co-operative members. Any surpluses are donated to the university, utilized for facility and equipment investment, or allocated as otherwise resolved by the general assembly. Fifth, they co-operate among themselves. University co-operatives have been bolstering their competitiveness in the market by establishing business associations and pursuing other tie-up activities in their respective regions. They are also collaborating on a nation-wide basis to improve the efficiency of their businesses and activities. Sixth and last, they have agreements with universities for gratuitous lease of facilities. Co-operatives across Japan have been able to conclude such agreements, because the vast majority of university students and faculty are shareholders and stakeholders.

The National Federation of University Co-operative Associations (NFUCA) has a total of 220 members: 205 university co-operatives, 6 inter-college co-operatives, and 9 business as-

sociations. The total co-operative membership stands at 1.54 million persons. Approximately 42 % of all university students in Japan are members. Similarly, about 31 % of all faculty members are members of university co-operatives. University co-operatives are active on the campuses of national, public, and private universities across the country.

Geographically, university co-operatives are divided among 9 regional blocs, each of which is a branch of NFUCA. Each region has one business association established as an independent corporation to promote cooperation in that region.

There are 553 co-operative restaurants being operated at universities nation-wide. Services are provided via the local business associations. Opinions offered every day are reflected in the menu, and the restaurants have earned very good reputation. Many of the halls are under university management. Ordinarily, they are also utilized as student halls. Accordingly, these restaurants are extremely crowded, especially at the start of the semesters.

Stores come in a wide variety, ranging from stores specializing in books, personal computers, or other goods, to general stores offering other daily necessities, school supplies, and travel agency services. There are about six hundred and seventy stores, including those offering travel services, in universities across Japan.

Student members also provide advice to newly enrolled students. This event is held every March to April. Many advanced students who are involved in university co-operative operation offer advice on academics and campus life. These events are popular not only with new students, but also with their parents or guardians.

## **THE SERVICES OF JAPAN'S UNIVERSITY CO-OPERATIVES**

Japan's university co-operatives provide a variety of services at universities nation-wide. They provide 1) food services at dining halls, convenience stores, etc., and 2) textbooks, books/magazines, daily necessities at stores of various sizes and formats in line with demand and usage levels. University co-operatives select and provide 3) computer equipment and software to suit the university's degree of specialization, and provide 4) travel services to meet students' and faculty's needs for various purposes, such as academic conferences, studies abroad, educational matters, personal development etc.. University

co-operatives further provide 5) accommodation placement of about 42,000 rooms which satisfies about 45 % of the total demand for student apartments in all universities having co-operatives. And finally, university co-operatives provide 6) the University Cooperatives' Mutual Aid Program for about 646,000 persons who represent about one half of all university co-operative members as of 2013.

In addition to the above, university co-operatives are also engaged in activities that directly support the growth of students. First, university co-operatives offer career development support. Co-operatives provide employment information and incidental products in sets to help students in their job-seeking efforts. Second, university co-operatives offer indirect educational support. Co-operatives themselves hold language classes, civil servant examination lectures, and other sub-school activities, and they help arrange for student participation in these, in order to assist students' career development. Third, university co-operatives offer supplementary educational support. Co-operatives help arrange remedial instruction, PC lessons etc., which are done by senior students to assist junior students in attaining their educational goals. Fourth, university co-operatives offer intern training support. Co-operatives collaborate with universities to encourage students to participate in consumer co-operative businesses and activities so as to provide them with work experience and knowledge pertaining to the organization, significance, activities, and other aspects of co-operatives.

University co-operatives also collaborate with universities by performing various supporting functions for university operations. First, university co-operatives handle the sales of research and educational supplies. Co-operatives supply educational aids, stationery items etc., needed by laboratories and classrooms. Second, university co-operatives carry out support for university libraries. Co-operatives take receipts, sort and shelve books and carry out other operations on behalf of libraries. Third, university co-operatives assist with some scholarship support. Co-operatives provide some funds from surpluses, which are available as scholarships passed to students by universities. Fourth, university co-operatives undertake outsourced university operations. Co-operatives try to meet the university needs for greater operational efficiency, and thereby contribute to more efficient university administration.

## STUDENT PARTICIPATION IN JAPAN'S UNIVERSITY CO-OPERATIVES

Students participate in various ways in the university co-operatives' businesses and activities, so that they grow not only as humans, but also as professionals. First, students participate in the operation (administration) of university co-operatives. Students themselves are the key component in co-operative operation. About one half of the executive positions on the board of directors are filled by students. Faculty members account for most of the remaining half, with only one or two full-time co-operative staff serving as executives. Second, students interact with faculty members and others through their participation. The board of Directors discusses matters democratically, with no distinctions drawn between students, faculty, and full-time co-operative staff. Third, students participate in product and store development. Students actively participate in the development of products and the creation of customer-friendly stores. Users' opinions are aggregated on a day-to-day basis and suitable efforts are made to improve stores. Fourth, students frequently use "opinion cards" to improve and let know university co-operatives. Opinion cards are not used solely for processing complaints and soliciting requests, but they also serve as on-campus communication tools. Exchanges via opinion cards have been posted by students on the Internet and have become a popular topic of discussion. They have even been compiled and published as a best-selling book *Seikyo no Shiraishi-san* [Mr. Shiraishi of the Co-op].

## GLOBAL DEMOCRATIZATION AND THE ROLE OF CO-OPERATIVES

With the strength of democratic society gaining ground in many countries around the world, democracy has also taken root in Japan since the end of World War II and brought about peaceful changes of administration. Democratically controlled governments must co-operate with each other and restrain the excesses of multinational corporations in order to prevent the negative effects of the global economy.

It has become increasingly important in this context that co-operatives, as not-for-profit enterprises, expand their businesses. The United Nations declared 2012 the International Year of Co-operatives. Japan's co-operatives reconsidered their own approaches and sought to im-



prove them, and university co-operatives took on an active role within the Japan Joint Committee of Co-operatives.

The role of universities is to produce sovereign citizens and especially their leaders for the 21<sup>st</sup> century. University co-operatives have played a major role in the democratization of Japan's universities and society. While many student movements lost their clout after becoming overly political and radicalized, university co-operatives have contributed to campus improvement, conducted campaigns on behalf of peace and the environment, and thereby extended their influence. Many university co-operative personnel have also been sent to local co-operatives which have been brought together in the Japanese Consumers' Co-operative Union (JCCU). Through these activities, Japan's university co-operatives have produced independent and creative sovereign citizens who have become more and more needed in the 21<sup>st</sup> century.

In keeping with the aforementioned efforts, Japan's university co-operatives have also pursued exchange with university co-operatives in other Asian countries. At the International Co-operative Alliance Asian Pacific General Assembly held in Vietnam in 2008, the ICA Committee on University/Campus Cooperatives for Asia and the Pacific was recognized as an independent committee and the President of NFUCA was named the Committee Chairperson.

Workshops were continually held in Indonesia in 2010, in the Philippines in 2011, in Malaysia in 2012 and in South Korea in 2013. We will try to disseminate Japan's university co-operative model to various Asian countries, tailoring it to their respective circumstances. Japan's university co-operatives hope to do all they can in this regard.

Japan has seen no major improvements in the government's policies toward universities despite changes of administration. Government assistance to private universities, which account for more than 70 % of Japan's universities, is still woefully inadequate, on top of which the government is seeking to incorporate national and public universities in order to cut government expenditures on universities.

Accordingly, national and public universities, as well as private universities, have become increasingly business-oriented and are seeking to curtail their student services budgets. Given these circumstances, university co-operatives are speaking out on behalf of undergraduate, gradu-

ate and international students as well as faculty as they endeavor to further enhance various student services.

University co-operatives view cooperation, collaboration, independence and participation as their primary missions. They will contribute to the enrichment of university life through the cooperation of undergraduates, graduates, international students and faculty. They will collaborate as a learning community with universities in realization of their philosophies and goals, as well as contribute to the enrichment of higher education and advancement of research. They will work as an independent organization to invigorate universities and their communities, as well as contribute to the enrichment and advancement of society and culture. They will, as an attractive business enterprise, encourage the active participation of members, broaden cooperative experience, and realize a sustainable society that is kind to both people and the planet.

University co-operatives have clear-cut visions based on these four missions, and they have continued to pursue activities through action plans that spell out these visions in concrete forms. All the efforts discussed thus far have been based on these missions, visions and action plans, and we will continue following this direction for future activities.

As noted earlier, Japan's university co-operatives have earnestly cooperated in developing university co-operatives and improving student services in Asian countries in accordance with their philosophies and activities. While there have been unfortunate declines in venerable American university co-operatives such as those at Harvard and Berkeley, we have continued to cooperate and pursue closer exchange with those university co-operatives that are still doing well. We have also collaborated with the National Association of College Stores (NACS). In Europe, we have maintained exchange with DSW in Germany, CNOUS in France and a variety of other student services organizations. We earnestly hope that the Bologna Conference will lead to greater standardization of, and qualitative improvement in, student services in European countries, and to improvements in the quality and quantity of student services worldwide through further international exchange.

## EXPANDING ASIAN-TYPE STUDENT SERVICES ALL OVER THE WORLD

### THE ASIAN STUDENT CO-OPERATIVE CONFERENCE

In July 2011, an Asian student cooperative conference was held at the University of Santo Tomas, Manila, the Philippines. For two days, under the theme of “Converging, Cooperating, Creating New Paradigm,” co-operative people discussed ideas and learned from each other about the significance of student support and students’ participation in co-operative activities at higher education institutions. The following are some of the things we can learn from such experiences:

#### ■ **Student support is one of the pillars of universities**

At the 2009 UNESCO International Conference in Paris a request was made to the supporting nations to “ensure active student participation in academic life” and for them to “provide adequate student services”. In Europe, the Bologna Process has been promoting standardization of higher education, and it is leading to strengthened preparations by which exchange students can be accepted, not only from the European nations, but from throughout the world.

The importance of student support, along with education and research, has come to be recognized as one of the three pillar services that universities must provide.

#### ■ **Then, what are student support and services?**

Student support refers to the university or society’s providing of facilities or expenditures to promote students’ living, meals, study and research. Because universities are universal education institutions, they must be able to secure domiciles, meals and scholarships for the students who come there from all over the world. For this reason, it is necessary to build, maintain and manage student dormitories, dining facilities, university shops and such, and put in place measures for scholarship systems.

These student support services, when viewed from a worldwide perspective, have adopted three main models. These are the market economy type, the publicly funded type and the co-operative type.

■ **The market economy type** is used in the United States of America (US). In the US, the universities themselves build and operate student dormitories, set up and operate dining halls, mediate numerous scholarships and arrange for students’ studies and research. On the other hand, in the majority of cases, the bookstores are subcontracted to and operated by outside vendors.

■ **The publicly funded type** is used in France, Germany and some other European nations. Even now in many European countries there are no university tuition fees or nearly no tuition fees, with the national governments ensuring free university education. Student support services are provided by a government organization as is the case with CNOUS in France, or by quasi-government organizations such as DSW in Germany, with student dormitories, dining halls and scholarships coming under their collective management and operation. These aspects have also been sought for standardization in the Bologna Process.

■ **The co-operative type of student support and services** is the formula that has been adopted mainly in Japan and other Asian nations.

In Japan, since the period of recovery following the end of World War II, university co-operatives have a long history of undertaking welfare enterprises on campuses. At a majority of Japan’s national universities, at about 40 percent of public universities and at some 15 percent of private universities (including Keio, Waseda and other major private universities), university co-operatives are engaged in welfare enterprises.

Elsewhere in Asia, since the end of World War II, co-operatives have been nurtured in many countries, and these have also been developed at universities and other education institutions.

With regard to student support and services by universities in Asia, co-operative type enterprises, which are neither the American market economy type nor the European publicly funded type, have been becoming the mainstay.

#### ■ **Then, what are co-operatives?**

Co-operatives originated around the mid-19<sup>th</sup> century when workers and consumers,

who were in difficult straits under businesses driven by the greedy profit motive, engaged in activities to pool their capital resources and operate their own enterprises to preserve their livelihoods. Their philosophy was self-help and joint-help between fellow members. In other words: cooperation.

Afterwards, the philosophy and organization of co-operatives spread around the world and the International Co-operative Alliance (ICA), formed in 1895, currently encompasses some one billion people in ninety-two countries, making it the world's largest NGO.

Co-operatives among producers include those involved in agriculture, fisheries, forestry and others. Related to finance, they include credit unions and credit associations aimed at small-and-medium-sized businesses. Among insurers, they include mutual aid associations for farmers and workers etc.. In localities apart from urban areas, co-operatives provide electricity and other forms of energy, as well as medical treatment.

As co-operatives for consumers, there exist purchase co-operatives engaging in store enterprises and delivery businesses on a local basis or at the workplace. University co-operatives belong to these organizations.

Co-operatives are characterized by gatherings of consumers, who pool financial resources and become members. They advance funds as capital to procure merchandise, which are purchased by the members. The realized profits are fed back to the members. The board of directors that serves as the main body for operations is chosen by the members. The members are investors, users, and also operators.

#### ■ **Then, what are the merits of university co-operatives?**

There are four major advantages in adopting the co-operative system to university welfare enterprises. First is the co-operatives' ability to provide the selection of merchandise or services that conforms closely to users' needs. Universities differ from general markets. It is necessary for them to provide textbooks or specialized books required for study and research, as well as a variety of other study materials. Moreover, at universities, busy and off periods of operating times and days of operations can vary according to the academic schedule, and such, making it necessary to have stable operation in accordance with user needs. Second is their ability to support a vari-

ety of activities on campus. Co-operatives not only reinforce strong ties in terms of their economic aspects, but also reinforce mutual ties between fellow members. At the beginning of a new academic period, they provide a forum where the advanced students can greet the new ones, address their concerns following matriculation, and forge friendships. Via the specialized nature of the university, recycling and reuse can be adopted to deal with the environment problem, and co-operatives can also provide support by expanding career avenues after graduation. The third advantage is that understanding and collaborative relations with the university are strengthened. Japan's university co-operatives, which engage in enterprises on behalf of the universities, are provided with land or building space from the institutions free of charge. The profits generated from the enterprises, in addition to maintaining the dining halls and shop facilities, are utilized for campus environment maintenance and beautification, and in some cases portions of the profits are also made available for scholarships. Since co-operatives are not-for-profit organizations, the surpluses can be directly or indirectly reimbursed to the members or universities. The fourth advantage is that tie-ups can be formed among co-operatives. In terms of business, forming joint business federations among university co-operatives enables lower prices and expenditures for procurements and distribution. This is a benefit not only for business, but for all activities, because they share common problems including the relationships with the universities or students, and thus leading-edge solutions to problems can be disseminated, or a social problem, that a single university co-operative cannot resolve on its own, can be resolved through the nation-wide federation.

In addition to the points I have already mentioned, university co-operatives are playing another important role - that of nurturing 21<sup>st</sup> century sovereign citizens.

As university education is becoming propagated around the world and globalization is progressing, universities are being entrusted with the major task of nurturing sovereign citizens who have the ability to develop their own societies and assume responsibility for them as well as to take on job responsibilities no matter where they go.

University co-operatives continue their collaboration with universities, and in this manner are cooperating in the nurturing of new sovereign citizens. The ability to conduct the enterprise of a co-operative, and the ability to build human relationships for that purpose, as well as the ability to engage in communications with numerous people - including exchange students and others - will be among the necessary conditions for new sovereign citizens in the 21<sup>st</sup> century.

As transition to democratic society progresses throughout the world, it is important for sovereign people not only to improve their own nations through better governments, but also to expand enterprises in which they can engage as sovereign people. Co-operatives, unlike large corporations or small and medium sized businesses, are enterprises operated by ordinary people who do not seek to earn profits.

In the history of co-operatives at Japan's universities since the end of World War II, co-operatives have led the way, not only by setting good examples, but also by nurturing many co-operative activists and entrepreneurs. I hope many people in Asia may become aware of this history. By studying the example of Japan, I would like to see them develop co-operatives well matched to their own respective countries and societies.

The key for achieving this aim is the fact that the overwhelming majority of university co-operative members are students, and Japan's university co-operatives are operated primarily by the students.

The year 2012 was designated by the United Nations as the International Year of Cooperatives. In Japan, a draft of the Co-operative Charter was adopted in January 2012.

The draft Charter calls for co-operatives' new roles in the midst of progress by the world's democratic societies. It not only urges governments to seek the establishment of co-operative policies, but appeals to the various types of co-operatives to carry out self-reform through review of their own situations. University co-operatives have been playing a major role in drawing up this draft Co-operative Charter.

Japan's co-operatives are endeavoring to maintain the process of self-review and self-reform, in order to take up the roles prescribed in the draft. In this sense as well, university co-operatives play a significant role.

The ICA Asia-Pacific University/Campus Co-operative Committee was launched in 1994. At present, there are nine member nations - India,

Indonesia, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The committee, while taking up measures to promote and expand university campus co-operatives in the Asia and Pacific region, also seeks the fulfillment of campus life through student growth and their participation in co-operatives.

The university people in the Asia and Pacific region are expected to take up measures for the creation of co-operatives with numerous possibilities.

## **JAPANESE-TYPE STUDENT SUPPORT IN OUR DEMOCRATIZING WORLD**

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### **CO-OPERATIVES AS A RESPONSE TO BASIC NEEDS - THE EXAMPLE OF STRICKEN AND DAMAGED AREAS**

In 2011, we had terrible earthquakes, tsunamis and the world's worst nuclear power plant accident in Japan. I made five visits to the stricken and damaged areas and saw many places which we may have to preserve as the ruined sites like Pompeii.

But we have to survive and to do so we have to reconstruct the regions so that the residents will be safer and better able to recover, even if they should have another greater earthquake and tsunami. The local and national governments have been discussing this, but it is not easy to get consensus.

In connection with this, I have been hoping that they will find the best mix of agents to reconstruct regional societies.

In a democratic society, there are four major agents that function to reconstruct itself repeatedly: a national and many local governments, big enterprises, including multinational corporations, small and medium sized enterprises, and non-governmental and non-profit organizations, represented by cooperatives.

I strongly hope that the national and local governments will create the best mixes of agents, especially by making use of cooperatives as ordinary people's enterprises. In this context, I would like to take this opportunity to express my honest views on the features and challenges of Japanese-style student support.

## UNIVERSITIES AROUND THE WORLD AND THE MEANING OF STUDENT SUPPORT

Through my experiences for several years as president of the University Co-operative Associations, I have come to have a better understanding of the features of Japanese-type student support fostered by the activities, such as international exchanges.

In some respects, the Japanese-style student support is something we should be proud of, but it also has some serious problems. Those problems are closely related to Japan's role in the world today, and particularly to issues concerning the Japanese youth.

There are currently some 18,000 universities in the world and, roughly speaking, there are approximately ten thousand times as many students as the number of universities.

Just as the term indicates, since universities are universal education institutions, they must accept students from anywhere in the world to provide them with study and research environments. Student support, which provides students with psychological support, as well as financial assistance to cover the costs of housing in and out of the university, food and study, is one of the important roles of universities.

Hence, at the international conference held in 2009, UNESCO made the right decision to include student support as one of the three major responsibilities of universities and governments, along with education and research.

As I have pointed out above, these student support services, when viewed from a worldwide perspective, have adopted three main models.

The first model is the market economy type and the typical locus for this type is the United States (US). In the US, universities themselves build and operate student dormitories, set up and operate dining halls, mediate numerous scholarships, and arrange for students' studies. Reflecting the social condition of a country where psychoanalysis is popular, excellent mental healthcare is also provided. In addition to financial aid provided by the federal and state governments, there are many private foundations in the US. In this way, students can manage university life despite high tuition costs, and foreign students also benefit from the system.

The second model is the publicly funded type, and the typical locus for it is Europe, mainly France and Germany. In France and Germany, the government and quasi-government organizations provide student dormitories, dining halls, and scholarships under their collective manage-

ment and operation, and students themselves also are involved in the operation of those organizations. Such systems in these countries are said to have been gradually established over their long history. Given that university tuition in these countries was and is even now nearly free, this is a very enviable situation for us.

The third model is the co-operative type, which has been rapidly developed in Japan since the end of World War II. In postwar Japan, scholarships have been provided by the current Japan Student Services Organization (JASSO), and they are now much more likely to be scholarship loans, rather than grants, as a rule. Moreover, after the war, although universities had the intention of building more dormitories in addition to the existing ones, construction was not promoted very much, due to concerns such as that dormitories might be used as a base for student movements. In such situations, students themselves established co-operatives to provide dining halls, books, stationary, PCs, housing, employment assistance, various consulting, arrangements for tourism, language training programs, and even scholarships (albeit in small amounts). In a sense, students themselves have provided student support services in Japan.

Although co-operative type student support has been developed in Japan under necessity in a historical context, there is a greater significance today. And this even has a global significance, which is continuously increasing in the 21<sup>st</sup> century as the transition to democratic society progresses in an increasing number of countries.

As part of postwar reforms, democracy on the basis of universal voting rights was introduced in Japan and it has been gradually established over a period of more than 60 years. The co-operative type student support is in line with democracy and will contribute to further development. Although student movements were actively conducted in postwar Japan under the influence of Marxism, they have declined with the establishment of an "affluent society" and democracy since the 1970s. However, university co-operatives have been continuously developed as student support projects among students and teachers, and they have grown to embrace 220 associations, with a total membership of around 1.54 million.

The world has made progress in the democratization of developing countries and former communist countries, while Japan has been promoting the establishment of democracy, and nowadays even Middle Eastern countries cannot go against the trend toward democratization.

The move has been affecting even China and Vietnam, where the Reform and Open-Door policy or the Doi Moi reform program have been promoted while maintaining the socialist political system.

In a general trend, an increasing number of countries in the world have developed democratic societies on the basis of universal voting rights, and the sovereign people themselves determine by their own will what their society is and shall be. It is difficult to go against the world trend toward the transition to democratic society.

As the transition to democratic society progresses throughout the world, questions about the ways that economic activities should be conducted pose a problem. Democratic society, or actually civil society, has been supported mainly by giant corporations with large capital, small and medium sized companies with moderate and small amounts of capital, and government economic policies and operations. The governments of the democratized countries should work together to overcome the world economic crisis caused by the financial crisis, that was triggered by the globalized multinational corporations. On the other hand, as long as the small and medium sized companies provide resources and services required for the improvement of the lives of people and take inventive approaches to pave the way for technological and other innovations, they must be encouraged.

Along with these enterprises, however, those operated by poorly resourced ordinary people, using the money they pool, become increasingly important and should be encouraged. According to its own assessment the ICA is the world's largest NGO and represents approximately one billion people around the world. Co-operatives provide 100 million jobs around the world; 20 % more than multinational corporations.

In response to requests from ICA and other organizations, the United Nations declared 2012 to be the International Year of Cooperatives and various efforts were undertaken in each country. Based on the results, ICA, at its extraordinary general assembly in Manchester, United Kingdom, in October the same year, decided the ten years 2011-2020 to be a Co-operative Decade so that co-operatives from all over the world should continue various efforts in order to show their superiority in terms of people's participation and resilience on that account against any economic crises.

In Japan, university co-operatives are among the roots of the activities of co-operatives. As such,

university co-operatives have been engaged in student support at a majority of Japan's national universities, at about 40 % of public universities, and at some 15 % of private universities, and also have provided regional co-operatives under the umbrella of Japanese Consumer's Cooperative Union with many human resources available to contribute to co-operative activities in Japan. In that sense, Japanese university co-operatives have contributed not only to the democratization of Japanese society, but also to the development of activities of co-operatives supporting the Japanese democratic society. Through those activities, university co-operatives have worked on nurturing of 21<sup>st</sup> century sovereign citizens who support the Japanese democratic society.

Japanese university co-operatives can make a significant contribution to the transition to the democratic society in Japan and throughout the world, if they become aware of such history and positively define and fulfill their role. First, Japanese university co-operatives teach students that they should cooperate to support the foundation of their university lives on their own activities. Second, Japanese university co-operatives teach students that they should collaborate with their universities to contribute to the improvement and development of higher education in Japan. Third, Japanese university co-operatives teach students to become independent and to grow up to be sovereign citizens who can contribute to Japanese society and the global community through the aforementioned activities. Fourth, Japanese university co-operatives teach students to participate in various other social activities through the participation in co-operative activities, contributing to the peace of the world and Japan, the environmental protection, and creation of a society in which every individual can lead a decent and comfortable life.

Through such cooperation, collaboration, independence, and participation, Japanese university co-operatives not only encourage students to contribute to the democratization of Japan and the world, but also adopt the co-operative system to promote enterprises suited for democratic society.

However, at present, not many university teachers in Japan fully understand the aforementioned meaning and role of university co-operatives. As I myself have gradually come to understand such a thing in the course of my research as a sociologist while participating in co-operative activities, it is not easy to provide understanding of this meaning to many university teachers

who have a variety of different research specialties and have various different involvements in co-operatives.

On the other hand, many of the co-operative staff members who operate the co-operative units are busy with daily duties, including providing enterprise operation and sound financial management, and it is often the case that they cannot afford taking time to think over the meaning and role of co-operatives.

Moreover, many students only pay their equity investment as a kind of membership fee to use the functions of co-operatives at the time of enrollment, use dining halls and other facilities without thinking much about the history and meaning of co-operatives, and receive a refund of their invested equity at the time of graduation.

At present, as the postwar history becomes a distant memory, we rarely look back on the histories of the foundation of university co-operatives, let alone of student movements. Many students take it for granted that co-operatives are already there for them and just use them in the same way as they use restaurants or convenience stores in general. It is not so easy to make these students aware of the meaning and role of co-operatives.

## CONCLUSION

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### SO, WHAT SHOULD WE DO?

To begin with, I am encouraging university teachers who are involved in co-operatives to understand the meaning and role of university co-operatives and tell students about them. As some university staff members are enthusiastic about co-operatives, I am also encouraging them to do the same.

In parallel with these efforts, I am also encouraging co-operative staff to take time from their busy work schedule to learn about the meaning and role of university co-operatives and promote discussions among teachers and students regarding the meaning and role of university co-operatives and co-operatives in general. The most important thing, however, is that students themselves become more aware of them.

In Japan's aging society with its falling birth-rate, students today are not as lively as those in the past used to be, and many now take passive attitudes toward overseas activities and the reform of Japanese society. This is due to the fact that Japanese society has not clearly presented a

path to follow in the midst of ongoing globalization, and I feel responsible for that.

As the transition to democratic society progresses throughout the world, I feel we should actively indicate the role that Japan could and should play. My social theory related to the transition to democratic society throughout the world and my activities regarding university co-operatives stem from such intention.

I am now considering whether it is possible to write a book, which deals with the transition to democratic society throughout the world and the role of university co-operatives in the midst of the transition. This book could be understood easily by students and could lead to promoting discussions about this among them.

In the past, communications through the co-operatives "one-word comment card" spread among students, producing a bestseller. In today's world, the activities of young people via the internet have led to the collapse of dictatorships in the Middle East. Moreover, demonstrations by young people, criticizing the widening gap between the wealthy and the poor, began in the US and have been spreading throughout the world. Actions taken by young people are the key to these matters. University co-operatives in Japan as a whole could operate in the context of such global transition.

As far as I know, student-driven co-operatives that were just like Japanese university co-operatives were established in Thailand in the period between the 1950's and the 60's, as well as in South Korea in the late 1980s immediately after its democratization. In Indonesia, some student-driven co-operatives are operated even now.

However, the co-operatives operated now in Asian countries other than Japan, are mainly teacher and staff-driven organizations, and the prevailing situation is one in which students must use dining halls and other facilities, and dividends are allocated among teachers and staff members.

Although economic growth began and has been on-going in these countries after the end of various types of developmental dictatorship, university co-operatives have not been so much developed as the result of the growth-oriented economic policy led mainly by governments more or less influenced by large enterprises. In that regard, it is significant that Japanese university co-operatives have been developed through the postwar economic growth to the extent that they have achieved today.

Through exchanges with Asian countries, I would like to promote efforts to establish the co-operative type of student support in other countries, by gaining their understanding of the meaning and role of the Japanese-type in democratizing societies of the 21<sup>st</sup> Century.

In regard to a comparison with the market economy type in the US, since there are still some university co-operatives in the US, university co-operatives may again become active when the US loses the dominant position in the world economy and faces increasing problems concerning providing students with support for higher education.

In regard to a comparison with the publicly funded type in Europe, the European type is said to have been gradually developed to become what it is today, through the influence of various student movements. I would therefore like to deepen the discussion, through interaction with those countries, as to whether the European type is to become the future version or the Japanese type.

I would also like to consider the unique future of the co-operative type of student support in Japan.

Finally, I would like to send some messages especially to the people of Germany. As a Japanese sociologist, I have learned a great deal from German philosophy, social thought, and sociology. I believe this is the same not only for other sociologists, but also many of other Japanese scholars in human and social sciences.

In order to show my appreciation for this and with regard to the theme of this paper, I would like to mention the names of two great figures. One is Eduard Bernstein. He went into exile in England and studied about British socialism under Friedrich Engels. Back in Germany, he criticized the fact, that the Social Democratic Party of Germany was still hidebound by old Marxian theory, and appealed to improve the ethics of workers by facing up to the reality. However, his appeal was not accepted. While he was criticized and treated as a revisionist, the Second International collapsed just before World War I and, after it, Germany came under the Nazi rule. The other is Ferdinand Tönnies. He published *Gemeinschaft und Gesellschaft* [Community and Society] in 1887 and became known as a sociologist who insisted that modern society had to be shifted from community-oriented to profit-oriented. He then studied British social theory and society and, in the 20<sup>th</sup> century, he suggested *Genossenschaft* as a new direction to set up a future type of society beyond profit-oriented *Gesellschaft*. "Genossenschaft" is, in English, a cooperative. Sometimes it takes several decades for new thoughts and methods of implementation to be understood. Therefore, I would like to conclude by saying that we must never give up our efforts, including in the search to find the best way to provide student support services.





**PART IV**

**COOPERATIVES  
IN UNIVERSITIES  
OF APPLIED SCIENCES  
AND IN SCHOOLS**



# CO-OPERATIVES – AN INNOVATIVE TOOL OF ENTREPRENEURSHIP EDUCATION IN FINNISH UNIVERSITIES OF APPLIED SCIENCES<sup>1</sup>

ELIISA TROBERG

## INTRODUCTION

The majority of Finnish enterprises are small enterprises. However, entrepreneurship and entrepreneurship education have not been in the university curriculum before the 1990's. Earlier, most university studies concentrated on large firms and business skills needed in the management of large firms. Today, it is understood that also small enterprises need to be well managed in order to be competitive. Entrepreneurship and entrepreneurship education have become a popular topic in Finnish universities.

Co-operative entrepreneurship is not widely discussed in Finland. One major reason is that it has been so unusual in Finland until the end of the 1990s. In the early 1990s there were about 10 worker co-operatives in Finland. In the beginning of 2014 the number of worker co-operatives was about 1500.<sup>2</sup> The recession in the beginning of the 1990s and the persistence of high unemployment after the recession were major reasons for the founding of new co-operatives. Especially, the unemployed began to establish co-operatives towards the end of the 1990s. In recent years, more and more co-operatives have been established in sectors such as training, marketing and expert services, culture and media. Among the founding members there are more and more young professionals and experts as well as people with long career looking for a more independent way of working.

Although the number of co-operatives is increasing, the enterprise form is not yet well-known and presented in entrepreneurship stud-

ies. There is one exception, however. Co-operatives have been established to a growing extent in universities of applied sciences as a form of entrepreneurship education since 1993.

## CO-OPERATIVES IN UNIVERSITIES OF APPLIED SCIENCES. GEOGRAPHICAL SPREAD AND THE SECTORS OF OPERATING

There are 27 universities of applied sciences in Finland. Team entrepreneurship in the form of a co-operative has become a learning innovation in these universities. Today, co-operatives function as a tool of entrepreneurship education in the majority of them. The innovation has also spread to several vocational colleges. According to a survey<sup>3</sup> made by Pellervo (Confederation of Finnish Cooperatives), the importance of co-operative education is increasing in many of the universities of applied sciences.

The first sector to start with the co-operative entrepreneurship within the universities of applied sciences was business studies. Gradually, also other sectors such as social and welfare and computer science have introduced the co-operative model into their entrepreneurship education. Today, the sectors in which the co-operatives operate within these universities range from engineering, media, culture and marketing services to social and welfare services. The number of co-operatives within these universities usually varies from a couple of co-operatives to 10. The number of members varies from about 5 members to 30 members. In Jyväskylä University of Applied Sciences they have found that the

1 The Finnish higher education system consists of universities and universities of applied sciences. At universities of applied sciences the education is more practical and more focused on professional skills than at universities. Education at universities of applied sciences emphasizes close contacts with businesses, industry and services, especially at a regional level.

2 <https://www.pellervo.fi>, 23.4.2014.

3 Ot-lehti 3/2007. The study was made in spring 2007. A survey study was sent to 29 Finnish polytechnics. Altogether 26 polytechnics answered the survey.

optimal size for learning purposes is from 12 to 20 members.<sup>4</sup>

The idea of team entrepreneurship in the form of a co-operative is also used in Finnish vocational colleges. The teachers in some colleges have attended training courses of co-operative entrepreneurship in order to start co-operative entrepreneurship education in their schools. In Jyväskylä University of Applied Sciences they have a special learning program called Team Mastery which has also been exported to several countries, e.g. France, the Netherlands, Germany and Spain. In the Team Mastery program innovative tools of team learning are used in a co-operative setting.

## WHICH ARE THE REASONS FOR ESTABLISHING CO-OPERATIVES IN THE UNIVERSITIES OF APPLIED SCIENCES?

There are several reasons for using the co-operative form in the entrepreneurship education. First of all, a co-operative is a flexible form of enterprise, more flexible than e.g. a limited liability company. Compared to a limited liability firm, the share capital of a co-operative is not fixed. Thus, it is easier to join and leave the enterprise. Any person who wishes to join a co-operative makes a written application to the board. The application shall be approved by the board. A member has the right to resign from the co-operative upon written notice to the board. Also, according to the Finnish Co-operative law no starting capital is needed when establishing a co-operative. The share payments are usually not high. Secondly, a co-operative is a democratic model for a group of students. Democratic and egalitarian way of operating motivates the students. It is a well-working form of team entrepreneurship and it enables the combination of many different activities. Thirdly, in many sectors the competencies of people are more important than financial resources. Large financial capital is not needed to establish e.g. a media enterprise or a marketing services enterprise. A co-operative form suits well in human intensive sectors such as training, media, culture and marketing of artisan products. Fourthly, in order to create extensive and competitive service products, competencies of different people need to be combined. A co-operative seems to be a modern, networking enterprise. It easily enables combinations of different skills

and competencies. The image of a co-operative as a not-for-profit enterprise seems to suit to social and welfare sector which is one of the sectors of Finnish universities of applied sciences.<sup>5</sup>

The financial risk is limited in the co-operative way of operating. This is very important for students who do not have large financial resources and who do not aim to develop growth enterprises, but to learn entrepreneurship and to earn some small earnings through working in the co-operative.

## TEAM ENTREPRENEURSHIP IN FINNISH UNIVERSITIES OF APPLIED SCIENCES

Today, team skills are among the most important skills in working life. Companies are willing to hire people who have the ability to build teams and play well together with others. Jyväskylä University of Applied Sciences started to develop the idea of team entrepreneurship as a form of entrepreneurship education in 1993. A special unit, Team Academy, was established in the university. Team Academy is a special unit of entrepreneurship, in which students establish real companies in the form of co-operatives. These companies operate as tools for learning and developing businesses. The team company does all the important work enabling practical business operation. Every team member is equally responsible for its success. Values such as openness, responsibility and trust are important.<sup>6</sup>

In Jyväskylä the students work with their companies during the whole study time (3½ years). In the co-operatives they can learn and practice the knowledge and skills needed in entrepreneurship and by the side they accomplish the degree of Bachelor of Business Administration. In some of the Finnish universities of applied sciences students work in the co-operatives some time and thus learn entrepreneurship, but they do not earn credits by working in the co-operatives. Co-operatives have also been established in the business incubators of the universities of applied sciences.

In Jyväskylä Team Academy, 42 % of the graduates have started their own company by the 3<sup>rd</sup> year since graduation. After having completed their studies the students, however, seldom continue their work in the co-operatives and the co-operatives are closed. In some rare cases the students continue the operations in the form of a

4 Leinonen et al. 2002.

5 Troberg et al. 2011.

6 <https://www.tiimiakatemia.fi>, 23.4.2014.

co-operative or they change the co-operative into a limited liability firm. The reason for changing the form of the enterprise is that a limited liability company is a more suitable form e.g. for a growth company and for profit purposes. Although the majority of the students do not start their own enterprises, it is very important for the students to study entrepreneurship and to practice the skills in work elsewhere. Many times, Team Academy graduates get jobs from the companies they have worked with during their studies.

## HOW TEAM ENTREPRENEURSHIP IS WORKING IN THE CO-OPERATIVES?

In Jyväskylä Team Academy studying is by working with the team company. The starting students found a team company of their own and start working for the customers in real life. If they do their job well, the customers pay for the services to the company and at the end of the studies the students travel around the world by using the earned money. Almost every group of students in Team Academy has accomplished the round the world trip.<sup>7</sup>

Learning is based on *learning by doing* methodology. Teams use dialogue as a tool to share knowledge and think together. Studies consist of team meetings, small group workshops and projects. Projects concentrate e.g. on marketing, communication, sales, event organizing, graphical design, project management and innovation. In the co-operatives the students learn e.g. book-keeping and how to act as a board member. Because every student has customer projects, customer visits are an important part of the work.<sup>8</sup>

In addition to practical working the students also read large amount of professional literature and take part in seminars. In most universities of applied sciences, before starting to work in the co-operative the students spend one year studying principal studies in business or computer science.

## CASE MYMEDIA

MyMedia, which was established in 2000, was one of the first co-operatives established in Tampere University of Applied Sciences. It adopted the co-operative entrepreneurship model from

Jyväskylä University of Applied Sciences. During the years 2000-2004 there were about 20 members in the MyMedia co-operative. The services provided by the co-operative included e.g. web-pages, marketing research services, training, organizing fairs and graphic services. When the students graduated, MyMedia was separated from the university and it continued its activities as an advertising agency.<sup>9</sup>

The following statements express experiences of the students of MyMedia from year 2002:

*"It is very good that I can work in practice. In this way I see where theory is needed and through practice I see what additional theory is needed."*

*"I can make my dreams come true and I can make experiments in the enterprise. The enterprise enables many different activities according to the interests of the members."*

*"We come here in order to work and train things in practice. We have to finish the work, we can't skip it."*

*"Although you don't become an entrepreneur, you learn to know what is entrepreneurship. In any case, you develop your entrepreneurship skills."*

## THE ACTIVITIES AND THE FORMS OF LEARNING

Every team entrepreneur belongs to his/her own team. In teams the students learn from each other at the same time. Team skills are learned in teams' common training sessions, which have replaced the lectures and lessons used in traditional schools. The teams' own coach participates in the training sessions and gives tips and advices and also encourages the whole team for better results. Every team member has his or her own task in the team. There are e.g. team leaders, project managers and marketing managers in the teams.<sup>10</sup>

The following statements express some experiences of the students of MyMedia at the Tampere University of Applied Sciences.<sup>11</sup>

7 Leinonen et al. 2002.

8 Leinonen et al. 2002.

9 Interviews in MyMedia 9.4. 2002

10 <https://tiimiakatemia.fi>, 23.4.2014.

11 Interviews in MyMedia 9.4.2002.

*"I learn how to work with a project and in teams I learn how to discuss different issues. I have developed socially a lot. Now I am used to meet new people and company managers. Also, my organizing skills, team skills and problem solving skills have become better."*

*"I can create a large network of contacts by which I can find a job".*

*"Being financially responsible in a firm brings a healthy pressure. One has to finish one's work and the decisions have to be made."*

In addition to the projects and team activities, the studies are also performed by reading business literature. The literature includes subjects such as entrepreneurship, management and leadership, marketing and innovating. The purpose of reading is not studying by heart or reading for exams. The principle is that a useless book is not worth of reading and that reading is one of the funniest things you can do. In Jyväskylä Team Academy, the students can choose themselves what kind of literature they want to read and what they wish to learn. There is a large selection of different kinds of books at use. After reading the students transfer the knowledge into practice by using the ideas they get from the books in the projects.<sup>12</sup>

Teachers have found the co-operative learning system more challenging for them. It is more difficult to estimate the students' performances than in the traditional system with lectures and examinations. The major task of a teacher in the co-operative entrepreneurship learning is to challenge, support and encourage the students.<sup>13</sup> Also, for the students co-operative working is a new, demanding method which presupposes active working and commitment. The fact that most students have no earlier business or entrepreneurship experience makes the management of the co-operatives challenging. The changing membership in the co-operatives is also a challenge. Most students do not know each other well and they may have different aims and needs regarding the business activities.

## SUMMARY AND CONCLUSIONS

Twenty years experiences show that co-operatives operate well as a form of entrepreneurship education in Finnish universities of applied sciences and vocational colleges. The equal and collaborative structure motivates the students to learn and practice entrepreneurial skills. It seems to be a very suitable form of team entrepreneurship. The number of co-operatives in the universities of applied sciences and vocational colleges has steadily increased.

The method of learning entrepreneurship in a co-operative has a strong advantage in that in a co-operative the students really have to be responsible for their activities. Traditional ways of learning such as listening to lectures and passing examinations do not motivate and inspire the students in the best possible way to learn entrepreneurship.<sup>14</sup>

The major hindrances for using co-operatives in the entrepreneurship education are lack of knowledge of co-operative entrepreneurship, prejudices towards co-operative entrepreneurship and the fact that some sectors such as the social and welfare sector, as well as the culture sector, do not have a tradition of entrepreneurship education in Finland. There are also teachers who do not know well co-operatives. They often prefer other forms of entrepreneurship in the training programs. According to the survey made by Pellervo,<sup>15</sup> many teachers in the universities of applied sciences wish that co-operative entrepreneurship would be better informed and marketed by different actors.

On the other hand, there are several trends which favour the establishment of new co-operatives in the education system. Team entrepreneurship is becoming more popular and working in co-operatives seems to operate well as a form of team entrepreneurship. Social and welfare services are needed more and more when the population is becoming older and the municipal resources are not adequate to offer all the services needed. There could be more co-operatives offering social and welfare services in universities of applied sciences. An additional factor enhancing co-operative entrepreneurship is that one task of universities of applied sciences in Finland is regional development and regional development is one of the central characteristics of co-operatives.

14 Mäkräinen-Suni & Lankinen 2006.

15 Ot-lehti 3/2007. The study was made in spring 2007. A survey study was sent to 29 Finnish polytechnics. Altogether 26 polytechnics answered the survey.

12 <https://tiimiakatemia.fi>, 23.4.2014.

13 Ot-lehti 4/2006.

Although co-operatives have found their way into the Finnish universities of applied sciences, most students, who become entrepreneurs, establish limited liability firms after completing their studies. Co-operatives are found to be good tools for learning entrepreneurial skills, but limited liability firms are often preferred by young people in business life.

Co-operatives could have a huge potential in the learning of entrepreneurship. The innovative idea has already been introduced to Finnish vocational colleges and to some upper secondary schools. In the future, there could be many more co-operatives in the upper secondary schools. Co-operatives could be used to train co-operation and work-life skills. The students could also do some work or voluntary work in the co-operatives.

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# GROWING SOCIAL INNOVATION: THE CASE OF CO-OPERATIVE TRUST SCHOOLS IN ENGLAND<sup>1</sup>

ANNA DAVIES

## BACKGROUND TO THE EMERGENCE OF CO-OPERATIVE SCHOOLS

The education system in England is currently undergoing major structural changes. Since the introduction of Local Management of Schools in 1988, there has been a shift to reduce the role of Local Authorities in education provision.<sup>2</sup> Since then, successive Governments have moved powers away from municipal governments (i.e. Local Authorities) and created various new types of school which are directly funded by central government rather than local government. This trend continued under the Blair Government with the establishment of the academy school model – schools that are directly funded by central government (specifically, the Department for Education) and independent of direct control by local government in England. These schools have greater freedoms than other state schools over their finances, teacher pay and conditions and curriculum – they can choose their own curriculum so long as it is “broad and balanced”.<sup>3</sup> Provision was first made for the development of academies in 2000 (initially known as ‘city academies’) and in 2010 the right to become an academy was extended to all publicly funded schools with an option to be ‘fast-tracked’ for schools that were rated as ‘outstanding’ by Ofsted, the schools inspection body. The 2010 Academies Act also

made provision for ‘free schools’ – new schools that can be set up by groups of parents, teachers, charities and religious groups and like academies are funded directly from central government. Since 2010, 174 Free Schools have been established across the UK.<sup>4</sup>

It is against this background that the co-operative movement has become active in the development of school structures over the last decade. In 2003, the Co-operative College at Manchester (Co-operative College) worked with Mutuo (an advocacy organisation for mutuals and co-operatives) and CfBT Education Trust (an education charity) to produce a report outlining possibilities for developing co-operative and mutual models for education.<sup>5</sup> Then in 2004 the Co-operative Group agreed to sponsor ten specialist Business and Enterprise Colleges. Although this gave an opportunity to experiment with embedding co-operative values into learning and school support across a network, the Co-operative College wanted to find a longer-term model for this. They therefore decided to pursue a co-operative trust model, made possible under the 2006 Education and Inspections Act.<sup>6</sup> This Act allowed schools to become foundation schools which establish a trust – the trust acts to safeguard the ethos of the school, its land and its assets; it is a charitable company limited by guarantee (CLG) and registered as such at Companies House. Trust schools remain part of the Local Authority family and are funded on the same basis as other maintained schools, according to the Local Authority’s funding formula. However, the Governing Body of the school takes on new responsibilities, becoming the legal employer of staff rather than the Local Authority and setting admissions arrangements. Ownership of the school’s land and assets is also

1 A version of this paper was originally published as part of ‘Spreading Social Innovations: A Case Study Report’. Cf. Davies, A., Spreading Social Innovations: A Case Study Report. A deliverable of the project: “The theoretical, empirical and policy foundations for building social innovation in Europe” (TEPSIE), European Commission – 7<sup>th</sup> Framework Programme, Brussels: European Commission, DG Research.

2 Local Management of Schools (LMS) was introduced as part of the Education Reform Act of 1988. This allowed all schools to be taken out of the direct financial control of Local Authorities; financial control would be handed to the head teacher and governors of a school.

3 Cf. Academies Act 2010. Available online at <http://www.legislation.gov.uk/ukpga/2010/32/section/1>

4 <https://www.gov.uk/government/news/new-school-year-sees-number-of-free-schools-double>

5 <http://cdn.cfbt.com/-/media/cfbtcorporate/files/research/2003/r-co-operation-and-learning-2003.pdf>

6 <http://www.legislation.gov.uk/ukpga/2006/40/contents>

transferred from the Local Authority to the co-operative trust where it is held mutually on behalf of the governing body and its local school community.

The co-operative model for trust schools has a number of key characteristics:<sup>7</sup>

- An ethos drawn from the globally shared co-operative values which are then formally recognised in the trust constitution.
- Governance mechanisms that directly engage key stakeholder groups – parents, staff, learners, and the local community through membership.
- A curriculum and pedagogy that embraces cooperation, drawing on co-operative approaches to teaching and learning.

In 2008, Reddish Vale in Stockport became the first school to adopt the co-operative trust model.<sup>8</sup> At the end of 2009, there were 36 co-operative trust schools. The Co-operative College has also developed a co-operative model for converter academies – the first of which was Kirkby Stephen Grammar School and Sports College in Cumbria, itself previously a co-operative trust

school. However, the trust model has proved most popular and as of April 2014 there are now 689 co-operative trust schools (primary and secondary). The breakdown for all co-operative schools from 2011 to today is given in Table 1.

## A MODEL OF SOCIAL INNOVATION

Co-operative schools are an example of what we call “social innovation”. We define social innovation as new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are both good for society and enhance society’s capacity to act.<sup>9</sup>

The spread of co-operative school models is an interesting case of how an innovation (in this case, a new legal structure) can be rapidly adopted even where there has not been strong policy support for it. And it is an example of where a wider ‘bottom up’ movement has been significant. This

7 <http://www.co-op.ac.uk/schools-and-young-people/co-operative-trusts-academies/#VGzIOfmsWSp>

8 <http://school.coop/case-studies/reddish-vale-co-operative-trust/>

9 The Young Foundation (2012), Social Innovation Overview: A deliverable of the project: “The theoretical, empirical and policy foundations for building social innovation ...”, op. cit., Footnote 1.

**Table 1:** Number of co-operative schools in England, September 2011 – April 2014

Co-operative schools	Sep-11	Sep-12	Sep-13	Jan-14	Apr-14
Co-operative Trust schools:					
Secondary Schools	63	83	94	98	104
Primary Schools	76	207	389	435	450
Special Schools	6	23	30	39	40
Associate Members	30	36	72	85	100
<b>Co-operative Academies</b>					
Sponsored by the Co-operative Group	3	3	6	6	6
Sponsored by SCS				1	1
Converters	5	18	33	35	36
<i>Secondary Schools</i>			22	23	24
<i>Primary Schools</i>			9	10	10
<i>Special Schools</i>			2	2	2
Co-operative sponsored Business & Enterprise Colleges (other than Trusts or Co-operative Academies)	5	5	5	5	5
<b>Total schools</b>	<b>188</b>	<b>375</b>	<b>629</b>	<b>704</b>	<b>742</b>

Source: Figures provided by the Co operative College, 2014

case also illustrates the importance of a context where adopters are receptive to change, and also how 'spreading an innovation' in some cases may be as much about facilitating new forms of innovation as it is about proliferating one particular phenomenon.

## METHOD

This paper presents the findings of our case study research. Nine interviews were conducted with head teachers of co-operative schools and those from the co-operative movement who have been involved with the spread of this innovation.

## SPREADING THE CO-OPERATIVE SCHOOLS MODEL

A number of mechanisms have been important in generating and enabling the rapid spread of the co-operative schools model. These can be broadly categorised into things that raise awareness, and the motivations which ultimately help shape the decision to adopt the model.

## AWARENESS

Awareness of the co-operative trust school model was consistently described by interviewees as dependent on existing headteacher networks and 'word of mouth'. Some talked about hearing about the model through their Local Authority, for example outlining different options including 'academisation' and co-operative trusts. Others mention exposure at events such as the National Association of Head Teachers (NAHT) annual conference. However, it is personal contacts of one kind or another that seem to be decisive.

As Operations Manager at Burton Co-operative Learning Trust Deb Bacon explains, "heads like to speak to other heads to find out what it's all about". Bernadette Hunter, herself a head and former President of the National Association of Headteachers (NAHT) concurs: "once the story is told, headteachers talk to other headteachers - we trust each other." Jon O'Connor of the Schools Co-operative Society notes that the background to this is a policy climate in which there has been a "constant and quite wearing conversation about which school structure is a colleague embracing." Mervyn Wilson, Chief Executive at the Co-operative College explains that when a co-operative school is formed in a 'desert' area where there are no others, and headteachers are questioned about how they came across the mod-

el, they often mention off the cuff discussions or chance conversations with colleagues they have known for years. These networks clearly play a crucial role in the spread of the model.

Certainly there is a sense that the growth of co-operative schools over the last six years has come about as the result of a grassroots or bottom up movement, as opposed to a concerted campaign. The Co-operative College is the most visible supporter and enabler of the co-operative schools movement but, as Mervyn Wilson notes, "we have zero marketing budget... it's all about organic growth". Trisha Jaffe, head at Corelli College notes that there has been "no proselytising anywhere... no big campaign". Jon O'Connor admits that description of the movement as a 'quiet revolution' can be something of a cliché, but he maintains "there is some truth in that - this hasn't been trumpeted because it isn't a big brand or a government policy". Indeed, Mervyn Wilson explains that although there has been quite wide political consensus that the idea of co-operative schools is a good thing and many MPs from across all parties have been supportive; there has been no support or advocacy for co-operative trust schools from the Department of Education: "you won't find a word about trusts on the Department for Education website, there's no promotion whatsoever".

## MOTIVATIONS

Given this context, why are headteachers (and their governing bodies) making the decision to pursue a conversion to co-operative trust status? A number of factors seem to be important here:

## CO-OPERATIVE VALUES

The values associated with co-operatives are attractive for many - both intrinsically and for how they fit with a school's existing ethos.<sup>10</sup> Ken Hall, Associate at the Co-operative College and former headteacher explains:

*"What really attracted us was when we started looking at the values - I know you'd struggle to find someone who didn't agree with them - but you're adhering to them and*

10 See the International Co-operative Alliance Statement on co-operative identity: "Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others." Available online at: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>

*you're putting them up in a very public place. We felt that was something we wanted to be associated with."*

Deb Bacon agrees: "It was the underpinning values that struck the heads - this is where their moral compass is set". Similarly, Jon O'Connor explained that "the thing that's the trigger is often the identification with a set of values - educationalists want to be part of a force for good". Others put this motivation in terms of being able to secure the existing ethos of the school. Trisha Jaffe explains that for her school, Corelli, it was about "protecting a value system that the school has... A lot of schools want to secure the next steps of the institution in a way they feel are empathetic to those values". Having values 'locked into' the school's articles of association was also felt to be attractive for ensuring that "they can't just be changed by someone else coming in, just like that".

## THE DESIRE TO CEMENT EXISTING RELATIONSHIPS

Being able to draw on the support of local partners is a key driver for many. This refers both to the trust partners (for example local colleges, universities or businesses) as well as other schools in multi-school trusts. This is frequently described as formalising existing relationships rather than establishing new ones. Bernadette Hunter notes that primaries have always worked alongside other schools. What the co-operative model allows them to do is about "formalising that relationship in a very uncertain scenario... It's saying 'We know we get on, but let's put a bit of a more formal responsibility on all of us to work together, to bind us in'".

Similarly, for Deb Bacon, the co-operative trust model provides a convincing response to the question of "how can we continue to maintain the trust we have in each other and formalise the relationship?" Trisha Jaffe felt that "becoming linked in a multi-institutional network gives you a natural group that has shared interests and provides back up for you." Sean Rogers of the Co-operative College notes that "the creation of a co-operative school trust will usually emerge from a history of informal partnership working between a group or cluster of local schools. Formalising this into a legal co-operative trust is for many the next step and it helps them to 'future-proof' the relationship-building and joint working that they will have built up."

## BENEFITS OF COLLABORATION

Another key motivation for adopting the co-operative trust structure is the expectation of a positive impact on the school. As Jon O'Connor puts it, "the decision to convert is usually related to some confidence that there will be a positive dividend". The nature of this positive dividend is expressed differently by the school leaders we spoke to. Some were particularly enthused about initiatives that had been enabled by introducing local organisations as formal partners in the trust. For example, headteacher Sandra Mitchell comments that "we've been very engaged with Keele [University] in delivering their teacher training - some of our staff have given lectures there which is great for their professional development". New trust partners are also able to contribute non-school based expertise. The co-operative movement is strong in Tony Hand's local area of Tamworth and one of the school partners is a retail co-operative. They are able to attend the school's procurement meetings, "offering a business perspective that we don't have".

Collaborating on procurement for services like catering and cleaning between the schools in a trust is another frequently mentioned benefit. For Bernadette Hunter, collaboration is across the board: "We look at procurement and savings, improving teaching and learning, sharing expertise and headteachers supporting each other". At Hand's trust, two of the teachers completed an Improving Teacher and Outstanding Teacher Facilitator training programme which means they are now licenced to deliver this training to other teachers across the trust: "that has been key to raising the quality of learning and teaching across the schools", he comments. Having local support is also especially valuable. Mervyn Wilson explains the teacher perspective he frequently hears: "when I need help on English I'm not going to go to a chain hundreds of miles away - I want to talk to the good English department down the road".

The impact of the co-operative ethos is also understood as a significant benefit. Trisha Jaffe explains that in the context of her school where there are high levels of deprivation, the co-operative emphasis on pupil involvement in governance and ownership of the school has been very important:

*"Student leadership was big for us ... Becoming part of a community with very clear values and where you can make a difference*

*as a young person mattered to us a lot. A lot of our youngsters come in with a passivity, without the feeling they can take control of their world. We wanted to give them an opportunity to do that. Students apply for posts of responsibility in writing, are interviewed and then take them on. It's changed relationships in the college and between students".*

Others point to the impact of working collaboratively on driving up school performance: "there's a tremendous potential for school to school support to bring about improvement" says Bernadette Hunter. She believes that this approach of cooperation is very much at odds with the current Coalition Government's agenda of improving standards through greater parental choice and competition between schools:

*"The Government envisages that it is only good or outstanding schools that can share best practice, but in our experience, even schools [that] might not be judged as good yet by Ofsted have things they can offer. There are pockets of good that can be shared in all schools and because those structures are formalised in co-operative schools, schools can work together to help the weaker ones".*

She gives an example from her own trust where one of the schools received a poor inspection from Ofsted and "the other heads worked together to support them". This perspective is shared by Mervyn Wilson. He highlights an important motivation as the "growing recognition that mutuality and working together is the best way of bringing about sustainable improvement". Similarly, Sean Rogers highlights that in the co-operative model, school improvement is "about doing with, not being done to ... it's not about a potentially hostile takeover model with some strong school taking over or running a perceived weak school. It's about a group of schools taking responsibility for supporting each other and also respecting the school being supported, while recognising that mutual co-operative support develops and delivers real and sustainable capacity".

## HOW HAS THE NUMBER OF CO-OPERATIVE SCHOOLS GROWN SO QUICKLY?

The Co-operative College predicts that there will be 1000 co-operative schools by the time of the next General Election in May 2015. As Mervyn Wilson puts it, "we're talking about an 8 % market share with no funding in 5 years ... There are four times as many co-operative schools as free schools, despite the millions that has gone into them". What has enabled the rapid adoption of this particular school structure, with apparently little government backing? Our interviewees suggest a number of key enabling factors.

## SUPPORT OF THE CO-OPERATIVE COLLEGE

The help provided by the Co-operative College to get through the conversion process is mentioned frequently as an important enabler. Sandra Mitchell comments, "... the College were very supportive ... this was one of the reasons we felt it was for us ... it wasn't an area of expertise - changing our status - and so we liked the idea that the College would guide us through the process". Trisha Jaffe agrees, "They were phenomenally helpful - second to none." And Bernadette Hunter comments that the Co-operative College were: "endlessly patient in talking to governors and helping with all the legal process ... they gave a lot of support on the technical side of it. They also spent time talking to us about ethos, values, the movement ... That was really helpful in our decision making."

Although the Co-operative College only has two full time staff members working on co-operative schools, they work with a range of independent associates (many ex headteachers) on a consultancy model. A school thinking about converting to a co-operative trust model can get support from an associate throughout the whole process, from initial discussions to explain the model, to developing the consultation process, attending consultation meetings and drafting all the necessary documentation. This costs around £4,000 for a single school and then £650 for each additional school in the trust.

The wraparound nature of the support for conversion is highlighted as particularly important. Associate Deb Bacon explains, "What's good is they [the schools] are not dropped and left to get on with it. They'll have the continued support

of the College through someone sitting on their trust board until a local co-op can be found ... People I converted last year will still call me and ask me questions". The fact that associates are typically ex-heads and themselves committed to the co-operative model is also significant. Jon O'Connor argues that what the College provides is "an empathetic service that understands the context in schools". And Deb Bacon notes that associates are effective "either because they are passionate about values or they are part of a trust themselves like I am - that makes you a good spokesperson for it."

Over time the College has built up significant expertise related to the process. As Mervyn Wilson comments, "it's a complex process you only ever do once ... but our associates will have heard all the questions many times before". The College is now working on developing its support into a tighter package that takes schools through the first 18 months and extends to attending the first two meetings of the Trust. This package will also include some of the other support elements the College has developed such as a trustee handbook and a company secretary handbook. This approach should reduce the transaction costs of selling these different pieces individually. As Mervyn Wilson explains,

*"One of the reasons for the success of the scaling we've seen is that we have learnt to largely commodify the process. It's a combination of complete customisation with modification of the process. You make it as simple as possible to take large numbers through it."*

However, there is a clear distinction between the role of the Co-operative College in convincing people to undertake the conversion and supporting them to convert once they've made the decision to do so. As Mervyn Wilson comments, "I'm almost in denial about our role in it ... what we've managed to do is find people who are interested - and to show you how you can do it." Deb Bacon agrees, "I never got the impression that the College is about a hard sell - they are slick at what they do and are passionate about the model ... It's not a big sales pitch, it's very much, if you think these values are important to you, that's how you're going to come to it".

## SUPPORT FROM UNIONS AND PROFESSIONAL ASSOCIATIONS

Another important element is that the co-operative model has received backing from influential groups such as unions and professional associations. In 2011, the Schools Co-operative Society (SCS) signed an agreement with UNISON which represents the majority of school support staff. A year later, the Schools Co-operative Society and NASUWT (the National Association of Schoolmasters Union of Women Teachers) entered into an agreement to promote co-operative solutions for schools. In this they stated their "shared commitment to education as a democratically accountable public service which operates in the public interest" and NASUWT agreed that it would "encourage its members to join and become active members of the Schools Co-operative Society."<sup>11</sup> In Mervyn Wilson's view, NASUWT have accepted that changes to the system are inevitable and that if there has to be a shift away from Local Authority community schools, the co-operative trust model "is the least worst model and a model whose values they share, so they're happy to engage with it". In September 2013, the Schools Co-operative Society and the Co-operative College signed an agreement with all the Trades Union Congress (TUC) affiliated unions. This agreement stated that the unions "recognise that the co-operative models developed enable key stakeholder groups to have a central role in the governance of schools and as such will encourage their members to actively engage in them".<sup>12</sup> This agreement which confirms that the co-operative model is one that respects the voice and rights of staff, "has been pivotal" says Jon O'Connor.

Bernadette Hunter, President of the National Association of Headteachers (NAHT) of 2013/2014 and herself a headteacher of a primary co-operative trust school explains that the unions "recognise this is a model that is very supportive of staff and in line with union principles". While the position of the NAHT is not to advocate for any particular school structure, she believes that the co-operative trust model fits very well with their position that "school structure should be outward facing and not damage other schools

<sup>11</sup> Statement of Joint Principles between the Schools Co-operative Society and the NASUWT. Available online at: <http://www.nasuwat.org.uk/Whatsnew/NASUWTNews/PressReleases/CooperativeSociety>

<sup>12</sup> National Agreement and Statement of Joint Principles: The Schools Cooperative Society, the Cooperative College and the Education Unions. Available online at <http://www.co-op.ac.uk/wp-content/uploads/2013/12/TUC-SCS-Co-operative-College-Agreement-September-2013.pdf>

- and it should be open to collaboration.” Indeed, at their annual conference in May 2014, NAHT members voted to support a manifesto that proposed that all schools should be part of a cluster or collaboration with ‘strong mutual accountability’ and that schools should be rewarded for collaborating with and supporting others.

## A CONTEXT OF INEVITABLE AND RAPID CHANGE

Perhaps the most important factor in enabling this rapid spread of the co-operative model is a context of major change and upheaval in school structures. The Coalition Government’s first Education White Paper released in 2010, *The Importance of Teaching*, made clear that the Government wanted to pursue radical structural reform. The paper states that: “It is our ambition that Academy status should be the norm for all state schools, with schools enjoying direct funding and full independence from central and local bureaucracy.”<sup>13</sup> Against this background, many Local Authorities began to encourage their schools to think about their future structure. Deb Bacon explains, “the Local Authority were saying to schools ‘you cannot do nothing, you need to make a change’. It was a case of, make a decision while you still can”. Similarly, in Sandra Mitchell’s Local Authority, “the message was: you shouldn’t be sitting back and doing nothing, your destiny is in your own hands.” Bernadette Hunter agrees there was a sense of “a rapidly changing landscape” and a concern “will I be the last standing?” Trisha Jaffe also felt that “with all the changes going on with [the] Ofsted framework, it did seem it was the one window we had to make a bold move.” Mervyn Wilson summarises this well when he says “as it becomes clear that the status quo is not an option anymore, more of them [schools] are looking at what to do ... inertia is no longer an option”. A situation where schools are being forced to consider their structural status clearly provides fertile ground for the adoption of a new model.

As well as this general context of the need to make a change, interviewees also spoke about a particular concern to avoid the academy route. Bernadette Hunter explains that in her case, “there was a concern about predatory takeover.

So we had to get ourselves into a structure to give us protection”. Trisha Jaffe agrees, explaining, “... there is such a rapaciousness in the chains to take over what they perceive as less successful institutions - so there is also a protection factor to decide to become a trust independent of any sponsor or chain.” In several cases this was about a desire to protect the autonomy of the school. Sandra Mitchell explains her school’s position as follows: “what we don’t like is being ‘done to’ ... we looked at it - ‘being academised’ - and we didn’t want to be an island on our own - we really value working in partnership with other schools.” Mervyn Wilson also notes that as the Government agenda to pursue academies has continued there has been “a growing recognition of the scale of the democratic deficit that this creates. That’s where our model is different - it’s the only one that provides a real voice for the key stakeholders.”

## REGIONAL MULTIPLIER EFFECT

Another factor felt to be important for quick growth is the emergence of regional clusters of co-operative schools. There tend to be pockets of areas with many trusts. This is particularly pronounced in the South West and specifically in Cornwall and Devon.

Bernadette Hunter comments, “... there’s a snowball effect - other schools have looked at what we’re doing and are saying - can we come talk to you about it ... maybe we could do what you’ve done? It’s almost a copycat situation ... You see another group and then another and another becoming interested”. Being able to look to another school in the local area is important for many new trusts. Tony Hand explains that when thinking about conversion, his school was able to draw on the experience of Burton Co-operative Learning Trust: “We were able to use them and follow processes and procedures that others had used. We looked at their pamphlets and consultation documents and adapted them for what we needed and our reasons for moving.” Ken Hall also notes the regional multiplier effect: “once a school goes, others [in the local area] are more inclined to take it up”.

Adoption by schools in new areas can be a much slower process. For example, Hall is currently working with schools in an area of the North East which doesn’t have a history of co-operative schools. One recently formed in East Cleveland was the first in this particular local

13 The Importance of Teaching. The Schools White Paper, 2010. Available online at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/175429/CM-7980.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/175429/CM-7980.pdf)



authority to convert and immediately became the country's largest co-operative trust with 21 schools. Another is in the process of forming in West Cleveland. Similar developments are now underway in Middleborough and Sunderland.

It is also important to note that growth of the network happens not just from the formation of new trusts but also from schools joining existing trusts. Sandra Mitchell and Tony Hand both added local schools to their network after converting. Mitchell explains that they had already been in consultation with local schools prior to conversion. Afterwards they held a launch event and invited local schools: "we didn't want to do a hard sell but we said we'd love it if you'd want to join us. Fairly quickly we had a special school that decided to join and then another primary in July 2013. And after that two primaries went through consultation". Tony Hand added another two schools to their trust to take them to eight schools: one high school and seven primaries. These vary from a village school of 60-70 children to Hand's own which is a primary of 600 pupils. Asked about the potential for further growth, Hand responded "I think there's an optimum number you get to in terms of collaboration but we haven't fixed a figure. If other people came along for the right reasons and wanted to work collaboratively and adopt the principles, I'm sure we would be open to that."

## CHALLENGES TO SPREADING THE MODEL

By any measure, the spread of the co-operative school model has been rapid, surpassing the expectations of even those committed to the movement. But what are some of the challenges associated with spreading a model that is frequently discussed as bottom-up or 'grassroots' in character, that arguably has more in common with a movement than a controlled implementation process?

### LACK OF RESOURCING

One of the biggest concerns highlighted by interviewees is a lack of funding to support the growth of co-operative schools. First, there is currently no funding for individual schools undertaking the conversion process. As Mervyn Wilson points out, "as it is, schools have to dip into their

own pockets to pay for the conversion process, and for small primaries, that's a challenge". Jon O'Connor argues that "if central government provides funding for the academy model, there's a disconnect if they fail to provide other opportunities for other networks. There's still a cost to conversion ... it would be good to have pump priming funding."

Second, there is also no funding to support the school-to-school collaboration that is one of the key potential benefits of the model (funding provided by the previous Government to assist with developing a trust's co-operative membership base was ended by the Coalition Government soon after its election). Trisha Jaffe explains that current collaboration is "entirely based on mutuality - it's what schools put into it. There is no highfalutin organisation that is running this - it is entirely us." And this inevitably creates challenges for what can be achieved, as Bernadette Hunter argues:

*"... there is no slack in the system to allow [this sharing] to happen. If we had a small amount of funding in the system - if you had a fantastic maths teacher from school X you could send them into school Y which was struggling. While there isn't any funding, that is hard".*

Resourcing is also a struggle for the two key institutions that have played a role in the growth of this movement: the Schools Co-operative Society and the Co-operative College. Certainly lack of resource limits the amount of promotion they can do and their ability to reach into new areas. Mervyn Wilson comments: "without a marketing budget, you can devise good resources but people don't know they are there ... this is where some financial resource would really help". The situation is similar for the Schools Co-operative Society. Trisha Jaffe says "a lot of what SCS is doing is self-funded. We're not a Harris or an Ark<sup>14</sup> - we don't have collective resource from central government. Maybe this is part of what we need to argue for."

14 Harris and Ark are two large academy chains. See <http://www.harrisfederation.org.uk/> and <http://www.arkschools.org/>

## THE NEED TO CONSOLIDATE AND LEVERAGE A DIFFUSE NETWORK

When asked about the potential for further spread of co-operative schools, a common response was that although continued growth was expected (given teacher motivations and current context), how far this could go would be dependent on demonstrating the concrete advantages of becoming a co-operative school. Jon O'Connor comments:

*"It will be necessary in the next two to three years to evidence that - not only is this ethical, it is also educational - it does provide by any measure you like, success stories based on impact and progress indicators ... Educationalists, MPs, and the public at large will be asking the same challenging questions of co-operative schools as they'd ask of any school now - does it work, are there learning gains?"*

Similarly, Ken Hall argued that:

*"The growth - how rapid it is, depends on what the schools see as the advantages compared to academy converter or chain ... If they see schools are successfully working together on school improvement and maintaining their autonomy and getting support not hindrance from [the] LA [Local Authority], that's very attractive. If they don't see that, they'll look elsewhere."*

Tony Hand also identified that a hindrance to further growth would be "if people were feeling there was no gain and school-to-school support wasn't helping schools to improve". There is a need to prove that in the co-operative school model and network there is "something on offer that can help schools to move forward".

Further developing the support and services provided by the Schools Co-operative Society is felt to be key to this. Several interviewees argued that more work needs to be done to realise the benefits of the growing network of co-operative schools. Deb Bacon notes in relation to the Schools Co-operative Society, "when you get more and more schools you need to think about a sustainable model ... what are their expectations as members ... and how do we then provide that support?" And Ken Hall commented that

the Schools Co-operative Society "is going to be crucial to make this model successful. It's got to look at how schools will support each other - and what it can do in regional groups ... The next stage is that [the] Schools Co-operative Society develops how it's going to work with schools and what it can offer in terms of training and advice." Some of this is already being trialled, for example Jon O'Connor has been involved in setting up a subscription based regional network for London and the South East which would look to provide a virtual network through a database which details current strengths, priorities and partnership work across schools, so that they can get in touch with one another for support. They are also looking into developing a partnership with Roehampton University which would enable the network to offer professional development and leadership training.

One of the reasons this work is challenging is that co-operative schools are operating in a loose, voluntary network as opposed to being organised in a more directive way by some centralised body. Ken Hall expresses the dilemma well: "[in academy chains] there are some very top down elements - which has its advantages; there are some quick wins in particular that you can gain from this. How does this work compare to the collaborative co-operative model? That's something that we have to look at for the long term". Similarly Mervyn Wilson identifies that there is a challenge for government about how to interact with this different kind of structure: "How do you move from a statist, top down command and control mentality to one that is about devolved governance and creating an enabling environment in which co-operatives can flourish. That to me is the biggest challenge."

However, it is something that goes to the heart of the ethos of the co-operative approach. Mervyn Wilson draws parallels with the nineteenth century co-operative 'missionaries' spreading retail co-operatives: "they didn't simply try to set up a branch in a new area. They came to talk to local people about how to do it." Similarly, the co-operative schools movement is about finding "volunteers, not conscripts", he explains. Sean Rogers notes that "sometimes, Local Authorities will come up to us and say: 'can you come and make all our schools co-operatives?' Of course the answer is no - it has to be voluntary - they've got to want to do it!" As Dave Boston of the Schools Co-operative Society explains, "we are determined to prove that you can have a bottom up co-operative

network that is every bit as effective as a top-down command and control chain”.<sup>15</sup>

## HOW HAS THIS FORM OF SOCIAL INNOVATION CHANGED AND ADAPTED AS IT HAS SPREAD?

A key question with regard to social innovations is to what extent they morph and adapt as they spread to new places. In one sense, the co-operative school structure is an innovation that stays quite static as it travels, since at its core is a set of governance articles and a legal structure that is applied in a consistent way in each case. Yet the educationalists involved in this model see this structural element as merely the starting point for a whole range of potential activities. In other words, the structural change acts as a kind of platform for a variety of potential initiatives which build on a co-operative ethos.

Trisha Jaffe explains, “what you do internally is entirely up to you – there’s nothing that prescribes what will make it a co-operative apart from the governance structure. The rest is what you make of it – you can take it as far as you like, or only as governance.” Sean Rogers concurs, pointing out that while the conversion process can be straightforward, “the big issue is always, how do we grow the trust and move from having completed the legal process to actually getting this thing up and running”. Similarly Jon O’Connor notes that one of the things headteachers often struggle to understand when he first speaks to them about the co-operative option is that “the downside is whatever you make it and the upside is what you make of it as well – if you don’t engage you won’t get much out of it.”

There are early signs that the co-operative schools movement is beginning to spark co-operative and mutual approaches that go beyond some of the less formal school-to-school support already mentioned. Jon O’Connor highlighted the case of Newham, where the Local Authority together with around 90 schools have established a new mutual organisation – Newham Partnership Working (NPW) to run and commission services to its members and beyond. On 30<sup>th</sup> July 2012 NPW took over the running of four key services from the London Borough of Newham – Education ICT, Schools HR, Governor Services and School Support Services. And in Devon, the

Plymouth Association of Primary Headteachers (PAPH) has recently created a co-operative Community Interest Company (CIC) to deliver a portfolio of mutually owned services to local schools. This includes Supply+, a primary school teacher recruitment service, which is already delivering efficiencies.

In another development, conversations are beginning with further education colleges about developing a co-operative model that works for this sector. Mervyn Wilson comments, “interestingly, most of the colleges we’ve engaged with on this so far are already partners in co-operative school trusts ... the ones I think will lead the process are the ones already aware of co-operative models from the work going on with schools.” This is a good illustration of how we might understand the spread of the co-operative school structure as facilitating new forms of innovation as well as the proliferation of an existing phenomenon. Mervyn Wilson explains it as follows: “I’d call it a virus; when people have seen the impact and the passion, all of a sudden they start to say, ‘could we do something like it over here?’”

## CONCLUSIONS

Reflecting on this case study we can make a number of observations relating to the nature of spreading social innovation.

First, the importance of a receptive audience is frequently acknowledged in literature about diffusion and adoption of innovation.<sup>16</sup> However, it is particularly pronounced in this example. A situation of rapid change where school leaders are forced to make a decision about what structure to adopt is clearly fertile ground for a new model to take hold. Interestingly, this echoes a finding of the recent WILCO project reflecting on welfare innovations, that “a good idea is not convincing in itself – it comes when people are open to it ... an innovation is adopted when minds are ripe”.<sup>17</sup> It is also important to note that this idea of receptiveness does not necessarily imply overriding enthusiasm for an innovation; being ‘receptive’ might equally be about being in a position where there is no option but to adopt a new approach of some kind. In this case for example, the decision to move to a co-operative trust

<sup>16</sup> A Davies and J Simon, Growing social innovation: a literature review. A deliverable of the project: “The theoretical, empirical and policy foundations for building social innovation ...”, op. cit., Footnote 1.

<sup>17</sup> The WILCO Project: A Summary of the findings. Available online at <http://www.wilcoproject.eu/wilco-project-findings-summary/>

<sup>15</sup> Dave Boston, quoted in ‘Cooperative schools’ by Mervyn Wilson, Cooperative News, 31 December, 2013.

model was sometimes a defensive move against the threat of unwanted structural change, such as forced academisation.

Second, personal networks and trusted peers appear to be very decisive in the adoption of new models. In this case, the headteachers were clearly most open to being influenced by other heads who had also adopted the co-operative school model. This finding is also reflected in the literature on diffusion of innovation and the diffusion of social movements which sees interpersonal ties as highly significant for determining rates of adoption.<sup>18</sup>

Third, some form of organised support and information is essential to make the move from initial interest and motivation to the reality of adoption. Having a body like the Co-operative College dedicated to spreading and actually making something of motivation has been crucial in this case. None of the schools we spoke to had

gone through conversion without help from the Co-operative College and many felt this would not have been possible, given their lack of knowledge or capacity to take this on. This highlights the significance of being able to package and establish routine processes that are necessary for adoption of something new.

Finally, the importance of a favourable policy context for spreading innovation is often spoken about.<sup>19</sup> While in this case there was a framework that enabled this model to be adopted (the foundation trust school 2006 legislation), in terms of other policy support, this has been non-existent. As Bernadette Hunter puts it “this is a movement that has happened in spite of the Government, not because of it”. The experience with co-operative schools suggests that alternatives to a government-backed agenda can thrive so long as the right motivations and incentives are also in place.

<sup>18</sup> A Davies and J Simon, *op.cit.*, Footnote 16.

<sup>19</sup> Hughes, J., Humphrey, C., Rogers, S. and Greenhalgh, T. 2002. Evidence into action: changing practice in primary care. *Occasional Papers of the Royal College of General Practitioners*: i–51.



# PUPILS' COOPERATIVES IN GERMANY AND THE ACQUISITION OF COMPETENCES FOR SUSTAINABLE DEVELOPMENT<sup>1</sup>

NICOLE GÖLER VON RAVENSBURG

## PROJECT CONTEXT

### MINI COMPANIES

School firms, internationally also known as mini companies, were established first in the United States of America in the 1920s, in other Anglo-Saxon countries from the 1960s onwards. They came to Germany only in the late 1980s. In the early 1990s several externally supported pilots were started which have since developed into promotional programmes of a considerable size. Examples include "Junior" (started by the Institut der Deutschen Wirtschaft (DIW) in Köln), "SchülerInnen unternehmen was" (run by Deutsche Kinder- und Jugendstiftung (DKJS)) and "Transfer 21" (started by the Bund-Länder-Kommission (BLK)), to name but a few.

School firms are a kind of prolonged project learning exercise. Sometimes they are initiated by pupils. More commonly, though, teachers start them at secondary or tertiary schools with pupils of about 12 years or older. Sometimes they form part of curricular sessions, sometimes they operate in so called working groups, that is to say as an extra-curricular school activity (analogous to choir practice, orchestra activities etc.), and sometimes they are run in a combination of curricular and extra-curricular settings. Educational objectives, school specific setting, presets by external promoters and State specific education law determine how school firms are organized and influence the roles in which pupils, teachers and potential third parties partake. At times only five pupils participate, in other cases 100 or more pupils engage themselves. The range of business ideas is very wide, from selling food in breaks to running a school cinema, from bicycle repairs

and event management to developing complex software, keeping bees or installing solar collectors and many more.<sup>2</sup>

School firms have become very popular for a range of pragmatic reasons: indications exist that they assist pupils in the transition from school into apprenticeship or professional, technical or engineering schools. They have proven to support education for sustainable development. They help pupils to develop entrepreneurial skills, which will be required of them in future to an ever greater degree, both in dependent employment and in self-employment. Yet, structural changes in the German school system have also contributed to their popularity: in most Länder,<sup>3</sup> schools have obtained individual budget authority and now need to compete for pupils, even more so since Germany has a negative demographic growth.

Besides these pragmatic reasons, school firms also gained popularity in the wake of a general educational rethinking taking place in Germany ever since the so-called "PISA Schock". Many educators have since developed an increasingly reflexive understanding of education. The idea, that learning is based on experiential processes, has contributed to a search for more problem-oriented didactic approaches, such as for example situated and cooperative learning. School firms are seen to be just such an approach. They are complex learning arrangements the success of which depends on a series of factors, which is why several "quality standards" have been described lately, for example by the Deutsche Kinder- und Jugendstiftung (DKJS).

<sup>1</sup> The contribution is based on a presentation the author made at the University of Helsinki Ruralia Institute organized cooperative research seminar in May 2013 on "Local development and cooperatives".

<sup>2</sup> The business ideas of all pupils' cooperatives currently promoted by the Genossenschaftsverband e.V. can be seen under <https://www.genossenschaftsverband.de/verband/profil/top-themen/schuelergenossenschaften-in-niedersachsen/20100512Schuelergenods.pdf>

<sup>3</sup> Germany is a federal state with sixteen "Bundesländer", also called "Länder" for short. The political responsibility and power for formal education lies with the Länder.

## EDUCATION FOR SUSTAINABLE DEVELOPMENT

Germany made the principle of sustainability a national objective in 1994 by including it into the German Constitution (Article 20a). In 1998 a first framework document for Education for Sustainable Development (ESD) was published (Bund-Länder-Kommission für Bildungsplanung und Forschungsförderung 1998). Today the Transfer 21 Quality Team summarizes the objectives of ESD as follows (The Transfer-21 Programme's 'Quality and Competences' Working Group 2007: 10):

*"Education for sustainable development (ESD) enables the individual to participate actively in analysing and assessing non-sustainable development processes, to follow criteria of sustainability in their own life, and to initiate sustainable development processes together with others at both local and global levels. This makes education for sustainable development a significant component of general education."*

The competences needed to explore sustainability issues and act upon the results include a whole range of cognitive, normative, pragmatic and emotional part competences which in their totality became known even internationally by the German term *Gestaltungskompetenz*, which Transfer 21 defines as

*"... the ability to apply knowledge of sustainable development and to identify the problems of non-sustainable development. This means drawing conclusions on environmental, economic and social developments in their interdependence, on the basis of analyses of the present and studies of the future, and then using these conclusions to take decisions and understand them before implementing them individually, jointly and politically. Through this process, sustainable development processes take material form." (DE HAAN, G./GRUNDMANN, D./PLESSE, M. 2009: 64-65)*

To acquire *Gestaltungskompetenz* pupils need to be exposed to settings or to partake in learning arrangements respectively which are in essence interdisciplinary and problem-oriented.

The Federation-Länder-Commission for Education (BLK) in 1999 commissioned an expert

assessment on the state of implementation of ESD (Bund-Länder-Kommission für Bildungsplanung und Forschungsförderung 1999 (BLK)). Since then, the BLK has first financed the *Programm 21* (1999-2004) and then *Transfer 21* (2004-8), in order to develop and test concepts for ESD which are viable and workable in school. 21 different learning arrangements were tested in 15 Länder within the Programm 21, with school firms showing the most promising results (Rode, H., 2005: 40, 117, 127). During Transfer 21 several Länder continued to explore one concept each to more depth and to build up structures for the extension thereof. The federal state of Niedersachsen chose school firms and started its own *Landesprogramm Nachhaltige Schülerfirmen (Nasch21)* in 2008 (Programm Transfer 21, without a year: 44).

Although formulated somewhat earlier by Manthey the following four theses describe the expectations, education policy makers followed in regard to sustainable school firms in Niedersachsen (Manthey, H., 2000: 2-3 as translated by the author):

- *"For one they enable an activity-oriented relation between ecological, economic and social objectives..."*
- *Secondly school firms offer possibilities to experience how a business can be run in a sustainable way...*
- *Thirdly school firms promote a different way of life as well as new attitudes and competences*
- *By orienting themselves on "sustainability", school firms become teaching arrangements respectively settings for the acquisition of "Gestaltungskompetenz", thereby supporting capabilities necessary for solidarity behaviour as well as the handling of uncertainty and risks. "*

Another decade later an explorative survey by the *Institut Futur* at the *Freie University of Berlin* confirms that sustainability is given a considerable role in various aspects of thus focused school firm learning (De Haan, G./ Grundmann, D./ Plesse, M., 2009: 64-65):

- the ecological aspect gets attention when school firms decide which product to produce or service to render;

- ecological and social sustainability frequently is also considered when choosing supplies and suppliers;
- in numerous cases school firms purposefully spend their surpluses on ecologic, social or development objectives or projects.

Sustainable school firms frequently experience problems though when inputs which comply with their sustainability criteria are very costly, of lesser quality or transparency cannot be obtained about their origin and how they were produced.

Pupils usually need to buy and sell either on the internet or locally on account of their limited physical mobility. In doing the latter, they frequently build close ties with the local economy, thereby on occasion giving interesting stimuli for sustainable development into their local community. The school firm "Energie-Team-SAG" in Königs Wusterhausen for example not only put a solar collector on their own school roof, but also on other schools roofs in the vicinity and eventually started a regulars' table with local entrepreneurs<sup>4</sup> Several school firms teach senior citizens in the use of a computer, as does the pupils' cooperative "STS" at the IGS Kronsberg in Hannover.<sup>5</sup> The pupils' cooperative "Coole Schule" in Georgsmarienhütte<sup>6</sup> produces affordable and tasty apple juice harvesting windfalls from ecological compensation sites. They are also regularly oriented to further the common wealth by contributing to charities or Third World projects. Even though there is no empirical proof for this yet, many educators believe, that participation in school firms is also effectively preparing pupils for civil society engagement after they leave school.

## SUSTAINABLE PUPILS' COOPERATIVES IN THE FEDERAL STATE OF NIEDERSACHSEN

In a way school firm learning can be understood as a form of prolonged project learning (in our interviews one pupil called it "never ending homework"). Perhaps its greatest advantage is the enormous effect it has on pupils' motivation and levels of engagement. Various evaluations show, that pupils willingly spend more time in their school firms than is expected of them. The reason they give most frequently is that school firm work is so much closer to reality than other lessons. Yet, the fact that teachers behave differently and

the contact with partners external to school also rank highly.

The project *Sustainable Pupils' Cooperatives in Niedersachsen* was begun in 2006 to test whether a cooperatively organized school firm setting with its foci on self help, self administration and self responsibility as well as stimulating external contacts offers real added value compared to differently organized school firm work. Eleven of the school firms included in Transfer 21 for the first time operated on the basis of a cooperative system. They encompassed secondary schools of all types, from a school for remedial assistance to a Hauptschule, a Realschule, a Gymnasium and a professional school. At no cost to them they were supported by Transfer 21 and the Cooperative Federation of Northern Germany with materials and consultation, teachers' training and public relations. Geno@school,<sup>7</sup> the transfer project at the Frankfurt University for Applied Sciences evaluated their progress based on scientific standards. The aim of this evaluation was to explore whether working cooperatively has advantages both, in term of ESD and in terms of broadening acceptability for school firm work in secondary schools.

## HOW PUPILS' COOPERATIVES WORK

Due to German tax and school law all school firms in order to remain school-education projects must limit their turn-over and surplus. This also applies to pupils' cooperatives. As a rule, they have no own legal personality, because their members are minors.

Just like a "real" cooperative, a pupils' cooperative is a democratic enterprise, its most important body being the members' general assembly. This is where all members, pupils and others, if any, meet and have one vote each. They adopt a set of statutes in order to lay down the most important rules of working together, and elect a board of directors, a board of administrators and sometimes even the heads of departments.

This organizational concept makes it possible for large pupils' groups to work together in an equal opportunity, self administered and self responsible way. The organs of the cooperative have clearly defined tasks. In comparison to other organizational forms, the cooperative school firm accommodates more pupils in responsible positions. Board meetings take place regularly. Pupils prepare and manage these meetings themselves, the same applies to the minutes. While the heads

4 [http://www.etsag.de/index.php?option=com\\_contact&Itemid=3](http://www.etsag.de/index.php?option=com_contact&Itemid=3), last download 2012-02-27

5 <http://sts.igskh.de/start>, last download 2012-02-27

6 <http://www.coole-schule-csh.de/index.php?menuid=1&topmenu=1&keepmenu=inactive>, last download 2012-02-27

7 <http://www.genoatschool.de>, last download 2012-02-12



of departments recommend and directors decide, how much is to be produced and marketed, who is appointed and how he or she is to be paid (if at all, payment is unusual in pupils' cooperatives), the board of administrators has the task of controlling whether the board of directors does his job well. The board of administrators is chiefly involved in the annual auditing and has to prepare and call the general assembly.

### HOW PUPILS' COOPERATIVES ARE SUPPORTED

The promotional concept for pupils' cooperatives was verified in advance with the pedagogical tutors of Transfer 21 and presented to all teachers in a two-day workshop. With the help of the materials supplied to them on a CD Rom and together with their pupils a business plan and a set of statutes were developed. Their detail depended on the age of the pupils and the school form. Advisors from the Northern German Cooperative Federation (Federation) consulted both, during school visits and telephonically. Once a business plan and statutes existed, a founding meeting was called, which adopted the statutes and elected both boards. The Federation then came to visit and audited the founding concept with the pupils present. Afterwards, a formal founding evaluation was drawn up, a certificate issued and the cooperative registered in a special pupils' cooperative register.<sup>8</sup> The Federation also assisted pupils' cooperatives to develop contacts with real cooperatives in their vicinity.

Throughout the duration of the project teachers could turn to either the Federation or Transfer 21 for advice. Questions arose mostly in terms of bookkeeping, business administration, as well as in terms of handling issues in a way corresponding to cooperative principles. At the end of the business year, that is to say once a school year, every pupils' cooperative had to produce its annual statement of accounts to be audited by the Federation together with the minutes of all board meetings. The general assembly was timed for the end of the school year so that all members could discuss the business and auditing results, decide together how the surplus was to be used and relieve the boards.

## EVALUATIVE RESEARCH IN THE PILOT PHASE

### DEFINITION OF OBJECTIVES, QUESTIONS RAISED AND METHODOLOGY

In the first phase the primary aim of our evaluation activities was to establish the practicability and competitiveness of this type of school firm for the envisaged educational aims (2006-8). At the same time the partners wanted to gain at least a preliminary impression, whether the development of knowledge about sustainability and the so called *Gestaltungskompetenz* are enhanced by cooperative type school firms.

In Germany we base our understanding of competences on a definition by Weinert (Weinert, F.E. 2001: 27). We think competences as

*'cognitive skills and abilities which the individual possesses or can learn, allowing him to solve certain problems, as well as the attendant motivational, volitional and social skills and abilities required to be able to apply these solutions successfully and responsibly in a range of situations'.*

School firm learning is a complex learning arrangement in so far as it contains various role players, often beyond teachers and pupils. It has less of a set curriculum than other type school teaching. Nevertheless teachers' accounts of competences developed by pupils in this type of learning arrangement sometimes sound almost enthusiastic. In order to understand more about the underlying mechanisms and eventually be able to differentiate between effects all school firms have and possible added value due to cooperative organization, we base our understanding of the acquisition of competences on the following **pupil centred model**:

Pupils enter a learning arrangement with certain competences. They need a certain amount of motivation and volition to partake and become active. Group dynamics, as well as teacher behaviour, will have an influence on the way in which they can partake, what they can contribute themselves and how they will assess their role and contribution. The learning content can be given by the teacher or, as is the case in a school firm, will arise from the context and the activities undertaken. In essence, the learning arrangement school firm

<sup>8</sup> This way the adult cooperative obligation to publish its registration is simulated.

is confronting pupils with real world issues hitherto unknown to them, stimulating them to acquire at once new knowledge, methods, perspectives, attitude and capabilities. By taking on this challenge and provided they get good coaching, the growth of personal, social, technical and methodological competences can be impressive.

As said before, the project partners place special emphasis on the acquisition of education for sustainability and in particular on Gestaltungskompetenz. Gestaltungskompetenz encompasses ten part competences (The Transfer-21 Programme's 'Quality and Competences' Working Group 2007:12, as well as DE HAAN, G. 2004: 41-42):

1. *To create knowledge in a spirit of openness to the world, integrating new perspectives,*
2. *To think and act in a forward looking manner,*
3. *To acquire knowledge and act in an interdisciplinary manner,*
4. *To be able to plan and act in cooperation with others,*
5. *To be able to participate in decision-making processes,*
6. *To be able to motivate others to become active,*
7. *To be able to reflect upon one's own principles and those of others,*
8. *To be able to plan and act autonomously,*
9. *To be able to show empathy for and solidarity with the disadvantaged,*
10. *To be able to motivate oneself to become active.*

Based on all the expectations outlined above the following five focus areas were identified for the evaluation of the pilot project *Sustainable Pupils' Cooperatives in Niedersachsen*:

- Do pupils' cooperatives contribute to education for sustainable development in the sense of conveying information and shaping attitudes?
- Does this learning arrangement further Gestaltungskompetenz?
- How helpful is the cooperative setting for the teacher in initiating, framing and contextualizing the group learning processes?
- Does the cooperative organization contribute to a changing teachers' role?
- How supportive are external advice and materials delivered by the Cooperative Federation

and the Agency for Education for Sustainable Development?

Since the pilot project encompassed only 18 teachers and about 340 pupils in 11 schools, we conducted a full census after  $\frac{3}{4}$  of a year and again after 1  $\frac{3}{4}$  years.<sup>9</sup> All teachers and pupils in all but the remedial schools were questioned both times with a partly standardized questionnaire. In remedial schools we conducted partly standardized pupils' group interviews instead.

The following diagram shows the diverse ages in the eight groups, we polled with the questionnaire:

## EVALUATION RESULTS FOR THE PILOT PHASE

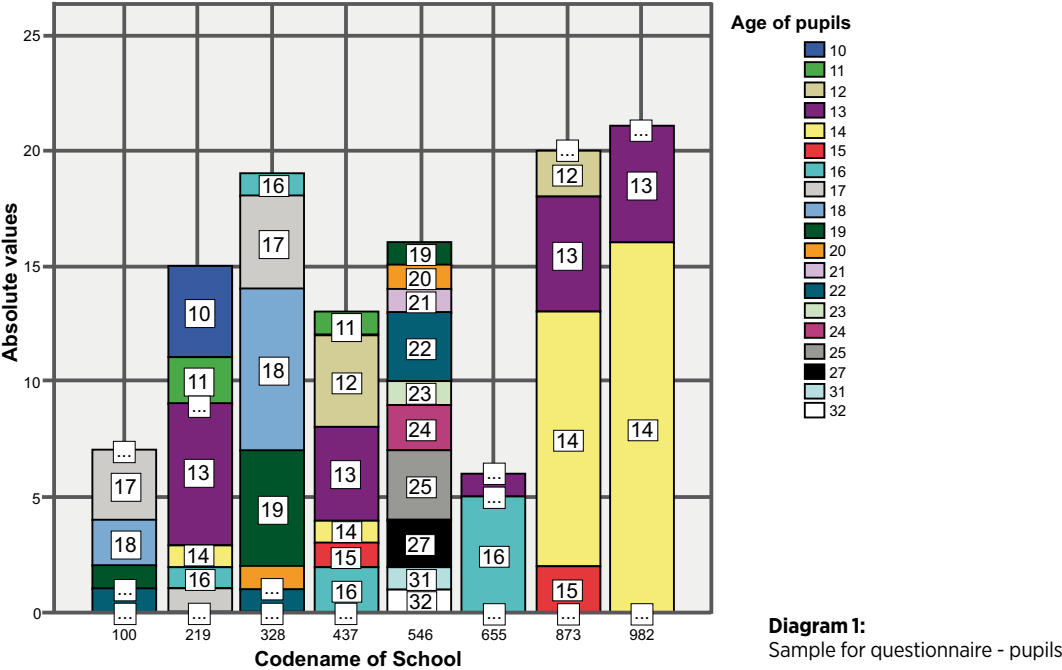
The results are astonishingly homogenous, considering the wide spectrum of secondary school types and age groups (see Diagram 1) involved. In all relevant categories answers did not differ significantly between school types. There is thus no reason to think that cooperative organization is perhaps not suitable for one or the other school type or age group.

Pupils and teachers draw a picture of their pupils' cooperative being a practical and exceptional sphere within their school marked by participation (democracy), motivation, excitement and cooperation. The pupils' cooperative is seen to sprout opportunities for self governed learning and a teachers role which tends to be more that of a coach. The promotional concept practiced and the materials supplied by the Federation and Transfer 21 are seen as necessary and particularly helpful.

Teachers, as well as pupils, emphasize the importance the democratic approach has for them. The fact that pupils each have one vote in the general assembly is mentioned as one important facet. Yet, a point was also made of the fact that members are workers at the same time, and that this brings a great deal of self-determination and self-responsibility, as well as the need for frequent change of perspective and strategy.

In their overall assessment teachers and pupils surprisingly agree in many, though not in all areas. All study participants valued proximity to reality and motivational aspects particularly high. There is agreement that conflicts have become a productive learning exercise, that self-perception has improved, as has the awareness of others and

9 Final report at: [http://www.genoatschool.de/assets/applets/Schulergenossenschaften\\_Abschlussbericht.pdf](http://www.genoatschool.de/assets/applets/Schulergenossenschaften_Abschlussbericht.pdf)



that more responsible self determination and autonomy is achieved (pupils’ view) or can be demanded (teachers’ view) without overtaxing the pupils.

The fact that there are more posts to fill is seen very positively by teachers and pupils alike,

because this gives more pupils the opportunity to take over responsibility, thus avoiding potential de-motivating dominance of individual pupils. Also, pupils become aware of the connectedness of personal behavior and success of the common enterprise, because they are regularly asked

**Table 1:** Participation of pupils in cooperative activities – pupils survey (GÖLER VON RAVENSBURG, N./ KÖPPLER, WINFRIED 2008: 21)

What did you take part in (even though you might not have been responsible for it):	We did not have this		Participated actively		Participated passively		No answer		Total	
	Abs. No.	%	Abs. No.	%	Abs. No.	%	Abs. No.	%	Abs. No.	%
Founding meeting	7	6,0	39	33,3	57	48,7	14	12	117	100
Book keeping	11	9,4	29	24,8	65	55,6	12	10,3	117	100
Calculation of prices	6	5,1	36	30,8	57	48,7	18	15,4	117	100
Advertising	5	4,3	57	48,7	41	35,0	14	12	117	100
Cash auditing	4	3,4	32	27,4	74	63,2	7	6	117	100
Customer relations	4	3,4	66	56,4	40	34,2	7	6	117	100
Price negotiation with suppliers	29	24,8	16	13,7	60	51,3	12	9,7	117	100
Cooperation with to the auditor from the federation	10	8,5	21	17,9	65	55,6	21	18	117	100
School firm fair	13	11,1	53	45,3	40	34,2	11	9,4	117	100

to elect fellow pupils for the board of directors, board of administrators or heads of departments and to relieve the elected persons of their duties at the end of the year. This is an obvious moment to assess whether common goals were achieved and to rate the success. The latter then can be seen as a mixture of functional knowledge as well as interpersonal-communicative, technical and strategic competences.

The teachers emphasize that, due to the fact that in this form of organizing they determine the rules of cooperation, pupils exercise more influence in shaping the learning situation than in other type school firms. In regard to social competences they believe this to promote a more forward looking attitude as well as the ability to cooperate in regard to setting objectives, thereby motivating others. According to them, there is more readiness in pupils' cooperatives to accept new ideas in terms of planning, communicating and conflict resolution. Both, pupils and teachers, think that it is possible in the pupils' cooperative to solve conflict by negotiation and that pupils do benefit greatly in terms of communicative skills.

Teachers and pupils are also in near agreement in regard to the way teachers behave in pupils' cooperatives. Compared with other lessons the pupils register that their teachers spend more time watching, assisting, asking Socratic type questions and offering ideas. The teachers are happy that they need to discipline less and can assist, moderate and watch more than in "normal" lessons.

The educational aims in a strict sense, which are pursued with the sustainable cooperative differ from that of other school firms by way of the sustainability content and focus on *Gestaltungskompetenz* (see above). Our evaluation shows that out of the ten part competences cooperative

school firms particularly support and challenge all competences to do with (democratic) participation, planning, forward looking thinking as well as empathy.

Asked after about nine months, 84,1 % of teachers and 67 % of pupils say that there has been overall growth in *Gestaltungskompetenz*. One year later even 86,9 % of teachers and 74,3 % of pupils say so. Of all part competences teachers and pupils name in particular growth in all competences related to *teamwork* and *common problem solving skills* as well as competences to do with *presenting ones' own projects and their results*.

There is a great deal of satisfaction with the external support system. This is highest in regard to the workshops and the opportunities for exchange among teachers, the information and teaching materials (CD Rom) and the external advice. The picture became more differentiated from the first to the second survey though. Satisfaction with the workshops rose while the satisfaction about the exchange with colleagues somewhat dropped. The satisfaction with the material improved, while the external advice was seen a little less satisfactory. Interestingly enough, though, the motivational effect of external advice was rated higher in the second compared to the first survey.

The founding phase, including founding audit, seems not to have harboured any insurmountable problems. It can be seen, however, that the teachers had to come to the assistance of the pupils to varying degrees in all related processes. The questions we asked in order to find out how well pupils understand organizational procedure within their cooperative, gave some indications that little attention had been given to this aspect as yet. Both these results led to the

**Table 2:** Role of teachers in the cooperative as seen by pupils

	Average I teachers	Average I pupils	Difference I	Average II teachers	Average II pupils	Difference II
Lecturing	8,2	10	1,8	10,2	12,3	2,1
Socratic questioning	13,6	13,6	0	10,4	12,2	1,8
Moderating	13,2	9,1	4,1	18,7	11,5	7,2
Disciplining	6,4	8,6	2,2	6,8	9,7	2,9
Assisting	17,3	19,2	1,9	14,7	16,7	2,0
Deciding	10,2	10,4	0,2	9,8	10,8	1,0
Introducing ideas	14,3	13,8	0,5	13,0	13,4	0,4
Observing	17,3	15,3	2	16,4	13,4	3,0

materials being extended and to the advisory services to give more attention to these issues.

Almost 80 % of pupils express a very high degree of satisfaction with their pupils' cooperative at the end of the pilot phase. While in the first survey the survey participants give opportunities for practical work, far reaching freedom from teachers' interventions and group experiences as main reasons for this, in the second survey the most frequently stated reasons include practical work followed by the experience of succeeding coupled with self responsibility and thirdly self determination. In the second survey pupils mean that the practical work also qualifies them in terms of professional development in some general way above and beyond mere orientation as to what they want to become.

Three quarters of the teachers questioned answer that they are completely or very largely satisfied with their working situation in the pupils' cooperative, not the least reason being that the cooperative organisational structure means that they no longer are "*held accountable for everything*". Remarkably, a large number of teachers see their own satisfaction closely related to the high levels of motivation and self reliance of the pupils, with the possibility to exchange with other teachers. On the negative side, teachers say that they spend noticeably more time in pupils' cooperatives than their superiors give them.

One element which emerges as central in regard to satisfaction, both of the pupils as well as of the teachers, is the matter of voluntary participation. It became apparent in several open statements, that there are circumstances in which a lack of voluntariness counteracts motivation and destabilizes the whole lervative texture. Pupils see engagement, preparedness to take responsibility in the group and fun at work as basic for their learning progress. This configuration/constellation is firmly rooted in voluntary participation.

## FROM THE PILOT PHASE TO A NATIONAL PROJECT

### PROJECT DEVELOPMENT

The Pilot project ended in summer 2008 and was awarded with the UNESCO-award "Education for Sustainable Development 2008/09", thus becoming an official project for the UN declared World Decade of Learning for Sustainability. Since then, the project has been extended within the federal state of Niedersachsen. In the school

year 2013/14 the number of participating pupils firms rose to seventy. The Cooperative Federation Weser-Ems e.V. has become an additional project partner.

The extension phase was evaluated again from 2010 to 2012 by geno@school. The evaluation report was published in summer 2012 and focussed particularly on the way in which pupils practice and experience cooperativeness, on the role teachers assume, as well as on the ways in which pupils' cooperatives are integrated into everyday school life. The aim again was to identify possible improvements to the promotion system as well as for the pedagogic approach.

### RESEARCH IN THE EXTENSION PHASE 2010-2012

From the pilot phase survey results several conclusions could be drawn in regard to adequacy of project management and external support:

- A cooperative organisational form is practicable for school firms
- Teachers and pupils alike feel supported by the material and assistance offered
- The project partners need comprehensive first hand information on the educational effects in order to enable themselves to adjust project management and assure promotional quality.

When we were commissioned to evaluate the second phase again (2010-12), the emphasis consequently was placed on ascertaining data on how exactly cooperativeness is perceived and practiced by the pupils involved, as well as on the influence of how the cooperative school firm is embedded in formal and informal school structures and the importance of group composition.

In regard to educational effects, the pilot phase survey showed major influence of social factors like integration of the pupils' cooperative into school organization, cooperation with "real" cooperatives and group dynamics on the acquisition of competences. Based on these results we decided to adjust our understanding of competence towards a more sociologically informed action theory. From this perspective the educational goal '*competence*' is the ability of a person to act adequately within social situations. Situations are shaped by social rules and institutions like organizational, milieu or gender structures. The knowledge necessary to act adequately is characterized by implicitness and latency, to the

point where normally the competent actor is not aware of possessing such so called *tacit knowledge* (MARTENS, M./ASBRAND, B., 2009: 201-217). Such an action theory informed axiomatic to explore pupils practice in reference to *Gestaltungskompetenz* (see above) also seems more appropriate to understand the complexity of this educational goal. And last, but not least, a lively impression can thus be gained of the pupils as persons who govern their cooperatives in a competent manner.

Consequently, evaluative research in the extension phase was designed to

- a) gather structural information again, as well as information on how teachers and pupils perceive the founding phase, their own involvement in certain tasks and their advancement in regard to competence development. In some schools we could also explore the experiences pupils had gained in taking over from the previous generation of pupils. Since all these data can be seen as “assessment type data”, we relied on questioning teachers twice (40 x 2 questionnaires) and pupils once by questionnaire (N=700). The questionnaires used contained both closed and open questions.
- b) reconstruct the pupils’ cooperatives’ everyday practice based on the theoretical framework outlined above. We thus also conducted 29 semi-structured group interviews with longish narrative episodes. Questions were designed to stimulate narratives to do with the three main principles in cooperativeness: self-help, self-administration and self-responsibility. The interview guide was designed such as to allow systematic harvest of cooperativeness related interview passages

to three levels of cooperative activity, namely production, firm/business and membership related governance issues.

The group interviews were conducted in such a way as to allow for discussion among the pupils, as well as longish narration in some parts. This resulted in the pupils articulating ideas and descriptions in their own language, in other words to generate their own representations. While the complexity of the learning arrangement in combination with only a rather small research budget available prohibited the use of repeated observations, which strictly speaking would be necessary to evaluate educational effects, this methodology still brought a real advance over the mere self appraisal by participants usually gathered using questionnaires.

We carefully paraphrased the interview passages and organized the cooperative related data according to a set of 3x80 codes with the help of MAXQDA. We generated typologies, by analysing the cooperative related content within 80 categories and relating it to the structural data obtained in the questionnaires. The code for this was generated partly using fundamental cooperative theory, partly generated inductively from the material. The interview passages, as well as questionnaire results relating to the integration into everyday school life and teacher behaviour, are analyzed using six codes generated without explicit theory on the subject matter, but rather developed inductively partly from the questionnaire results, partly from the interview material.

The resulting matrix looks like shown in Diagram 2.

We were able to generate types of cooperative practice and integration into school with which to relate educational self assessment results.

	Cooperativeness			School	Group
	1. Self help	2. Self administration	3. Self-Responsibility		
Start up phase	1.1	1.2	1.3	1.4	1.5
Take over experience	2.1	2.2	2.3	2.4	2.5
Sphere of the firm	3.1	3.2	3.3	3.4	3.5
Membership sphere	4.1	4.2	4.3	4.4	4.5
Production sphere	5.1	5.2	5.3	5.4	5.5

**Diagram 2:** Reference system interviews: Code system for group interviews (Cooperativeness & integration into school life)



## BRIEF SUMMARY OF RESULTS

The results of this mixed method research were manifold. This was intended, since educational, as well as cooperative partners, wanted to learn more about the inner workings and the needs for external support.

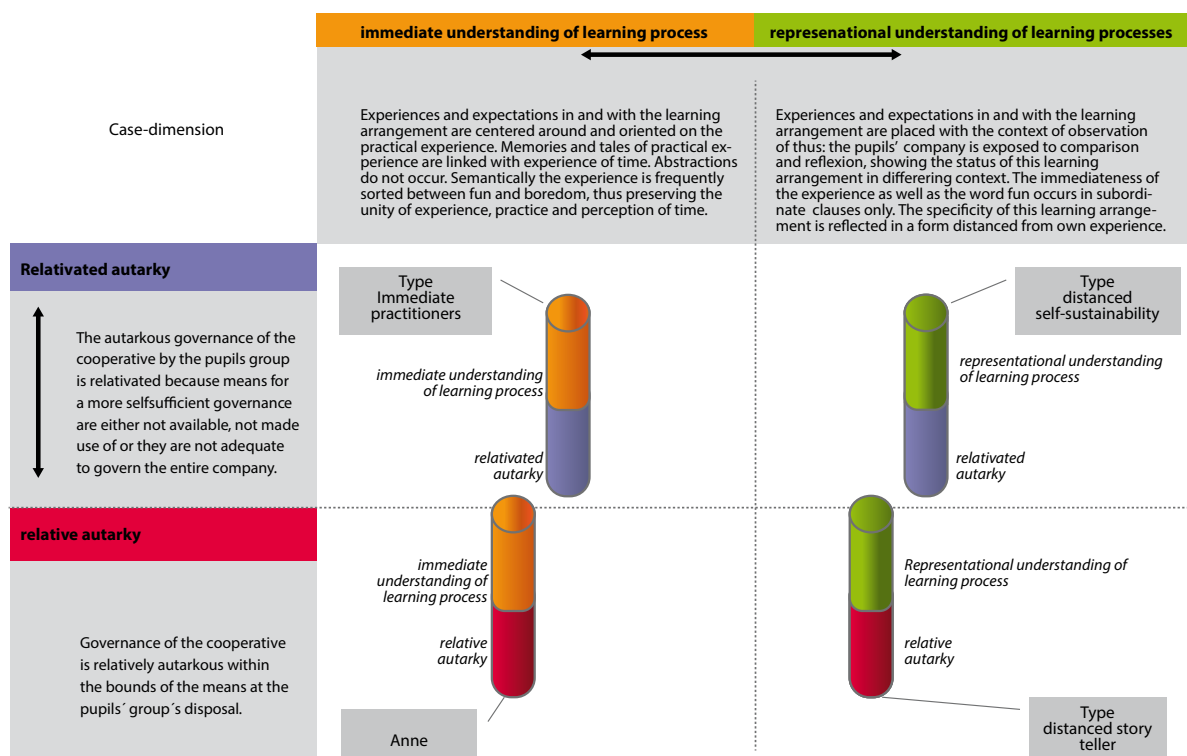
Two results were perhaps the most important ones. Using the mixed method approach described it could be shown that the pupils realized a truly cooperative way of running their business. This was all but self-evident given the restrictions school bureaucracy inevitably places on this kind of learning arrangement and the fact that a superimposed cooperative set of rules could always have been followed by the book without really either enlarging the pupils' sphere of real decision making or encouraging them to take on responsibility for their doing. Both, however, is a prerequisite for self-generated interest and sustained learning, as well as enriching competence development.

Also, it could be learned that the commonly held idea according to which cooperative practice was so difficult that only learners at Realschule or Gymnasium could understand it, cannot be sustained. On the contrary: in the interviews pupils of various school types and age groups showed

rather convincingly how they could account for their practices on most levels.

The indicators for "cooperativeness" which transpired from the interviews had all to do with autarky, on the one side, and with the pupils explicit, as well as implicit, ideas of how they learned, on the other. Even though it was noticeable that elder pupils have a more distant understanding of the learning processes they undergo, pupils of all school types achieved to utilize the room they were given for more or less autonomous decision making and for self-organized peer group learning. And one case demonstrated clearly that even younger pupils with a less abstract idea of learning can reach significant autonomy in running their cooperative on account of certain didactic routines.

All of the pupils knew about responsibilities and duties of departments, directors, board of administrators, managers and federation. Moreover, the democratic governance and transparent business model made it easier and more attractive to them to take over certain economic risks and to take on responsibility, both as a group as well as individually. In the quantitative part of the research, where we asked teachers as well as pupils how much of certain tasks the pupils could



**Diagram 3:** Case dimensions which characterize cooperative practice and learning at school

solve all by themselves, supported these results. Teachers also see that self-organizing increases and that pupils take upon themselves a great many more responsibilities than they do in other learning contexts at school.

Other important results were that educational aims in terms of increasing competencies in regard to economic processes, sustainability, as well as preparation for post school tertiary education, vocational or academic, takes place to a degree which satisfies both teachers and pupils. Advances seemed to be more pronounced in the areas of personal attitudinal development and pragmatic and social competences than in terms of academic knowledge, however. There are hints that this might also have to do with the length to which a pupils' cooperative has existed and the experience of the teachers with it.

Last, but by no means least, it should be mentioned that pupils cooperatives are increasingly being mentored by more than one teacher, accommodate various standards/classes/forms and thus make a positive contribution to opening school up on the inside. Teams of teachers can effect more trans-disciplinary perspectives, pupils of a different age and possibly aiming at different school leaving standards can mix and benefit from each other in many ways.

## BRIEF LOOK TOWARDS THE FUTURE

Beginning with the school year 2011/12 the Rheinisch-Westfälische and the Baden-Württembergische (2012/13) Cooperative Federations have also started projects for Sustainable Pupils' cooperatives in their regions (Länder), namely Nordrhein-Westfalen, Rheinland-Pfalz and Baden-Württemberg. All in all, about 130 pupils' cooperatives have been registered in special pupils' cooperatives registers by now, meaning they have undergone the founding process successfully enough in terms of the federations' expectations. A support system was arrived at whereby right from the beginning local partnerships are established between real world cooperatives and schools wishing to establish a pupils' cooperative. The local partners will help pupils' cooperatives as advisors of first resort, with the federation concentrating on the audits and the register. The scientific evaluation of how well these partnerships work and what is needed to support them adequately is subject to a current phase of evaluation.

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**PART V**

**COOPERATIVE TRAINING  
INSTITUTIONS –  
THE EXAMPLE OF INDIA**



# COOPERATIVE EDUCATION AND TRAINING. LEADING THE WAY TO FURTHER DEVELOPMENT IN INDIA

XAVIER L.X. WILSON

## INTRODUCTION

The role of education in facilitating social and economic progress has long been recognized. Education improves functional and analytical ability and thereby opens up opportunities for individuals and also groups to achieve greater access to employment markets and livelihoods. A better educated labour force is essential, if we are to meet the labour supply requirements of faster growth. Education is not only an instrument of enhancing efficiency, but it is also an effective tool of widening and augmenting democratic participation and upgrading the overall quality of individual and societal life. The members and employees of cooperatives need education and training to update their knowledge and enhance their skills.

Training and education are the two sides of a coin. Both are imparted for the development of human resources. Sometimes the two aspects are seen as synonymous. No cooperative trainer may impart good training without educating the trainees about cooperative identity. Likewise, cooperative education is incomplete unless it underlines the importance of a sound profitable business.

As early as 1955 the technical meeting on cooperatives of the International Labour Office, held in Mexico, emphasized that the most urgent need is to train cooperators even before cooperatives are established. Shri Jawaharlal Nehru, the Architect of modern India, said in a message in 1959 that "All the enthusiasm in the world will not be enough unless we have trained personnel to run our cooperative societies." The Five Year Plans of the Government have also stressed the need and importance of cooperative training and education for the healthy growth of the movement. The International Cooperative Alliance's seminar on Cooperative leadership held in New Delhi in 1960, rightly declared that "coopera-

tive education and training should be organized in appropriate forms at all levels and in every branch of the movements activity. Training enables the employees to improve their knowledge, skills, sensitivity and creativity, and also enables them to adjust to the socio-political environment thereby contributing to the improvement and rationalization of such environment."

## COOPERATIVES IN INDIA

Cooperation is working together. Cooperation means living, thinking and working together. It is a special method of doing business. It is working together to learn to live in our human society harmoniously. Cooperation existed even before the man came to this earth of ours. The corner-stone of cooperation is mutual help. It is to survive with dignity and purpose. The formal face of working together is a 'cooperative institution' which is member-driven and has legal personality.

The Indian cooperative movement is the largest in the world with a membership of 350 million in over 600,000 cooperatives of all types and at all levels. 65 % of cooperatives are agricultural, marketing, credit, and production cooperatives. (National Cooperative Union of India, 2014). The movement was formally established in 1904. Cooperatives now cover 100 % villages and practically all farmers in the country. The primary cooperatives become the members of district level unions/federations (promotions and business). These, in turn, become members of state level federations, which ultimately are affiliated to the National Cooperative Union of India and other business federations. The National Cooperative Union of India is the national apex of the movement.

## COOPERATIVE TRAINING

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The expansion and diversification of the cooperative movement over the years has made its management more complex and complicated. It is no more possible to apply old techniques of management and expect better results. In the case of cooperatives, the problem is more pronounced as cooperatives are not purely economic organizations aiming at maximizing profits. This necessitates a sound training and development programme to find a way to the complications faced by the cooperative movement.

The primary issue is one of quantity and quality. Do we know how many persons are employed in the cooperative sector, how many in the different categories, and how many of them need training and of what kind, and how many of them are at all trainable? Recommendations emphasizing the need to conduct manpower surveys at regular intervals have been made at various instances. But the task is too formidable and complex in a large country like India. Nonetheless, need identification must continue on a regular basis. Many organizations have a good system of identifying needs every year.

However, needs identification can do real harm if the needs are not met through suitable programmes. Managers must perceive that their recommendations receive due consideration and actions are initiated to satisfy felt needs. Only then they will take this exercise seriously.

Similar recommendations have been made that a comprehensive state-wide survey of training needs at various levels (junior, middle and senior) should be conducted. There is consensus that a large number of cooperative personnel is untrained and needs training. But at present even those training institutions which are almost wholly government supported face budgetary constraints.

Training is taken very casually by the cooperative organizations. No real efforts are being made to identify the training needs and to prepare training plans which could lead to an effective implementation of the training programmes. In order to be more effective and to be conducive to new behaviours, the training should be tied in closely to actual work place situations.

## FOOTPRINT OF MANAGEMENT DEVELOPMENT IN COOPERATIVES

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In India, the need for cooperative training was stressed as early as the beginning of the 20<sup>th</sup> century. The MacLagan Committee on Cooperation (1915) observed that most of the defects, which they found in cooperative societies, could be traced to lack of teaching, both before and after the registration of the societies. (Bandyopadhyay, 2004, 1-2). In 1919, a revival of concern about the implementation of the ideals of "local self-government" appears to have spread to the cooperatives sphere, which was beginning to be thought of as the training ground for political democracy (Dutta, 1991, 15).

The Registrar of Cooperatives, an important institution in the Indian cooperative system, observed that the Central Cooperative Institute can do valuable propaganda and training work. The Royal Commission on Agriculture (1928) emphasized the need for highly educated and well-trained staff to provide expert advice and build up the cooperative movement. As a result, several provincial governments expanded their training facilities. After the economic depression, which hampered the growth of cooperative training programmes, Sir Malcolm Darling envisaged in 1935 a phased programme of training divided into three stages to cover

- I Instructors
- II Employees of the Cooperative Department, and
- III Employees/office bearers of cooperative societies.

The Reserve Bank of India was created in 1935 with an Agricultural Credit Department. One of the main functions of this department is to help the cooperative movement in all aspects. In 1935, as a measure to improve the arrangements of education and training, the Provincial Cooperative Institute in Bombay organized three cooperative training schools. In the Madras Presidency, six institutes were started and similar schools were also set up in a number of other states (Mathur, 1973).

The Reserve Bank of India made its own investigations and advised for cooperative developments.

In 1945, the Government of India appointed the Cooperative Planning Committee on the recommendation of the 14<sup>th</sup> Conference of Registrars of Cooperative Societies in 1944, to draw

up a plan of cooperative development. It was pre-  
sided over by Mr. R.G. Saraiya and its report was  
submitted in 1946 (Bedi, 1969, 121). It took stock  
of the whole movement, fixed targets of training  
and development. The Saraiya Committee re-  
commended that cooperative training should be  
given to workers of the following types:

1. Members of the managing committees of ru-  
ral cooperative societies,
2. Secretaries of rural cooperatives,
3. Staff of cooperative institutions,
4. Staff of cooperative departments,
5. Research workers,
6. Staff of cooperative marketing entities,
7. Staff of statistics offices.

In August 1951, the All India Rural Credit Survey  
was initiated by the Reserve Bank of India, with  
the objective of collecting such facts and statisti-  
cal information as would assist the Reserve Bank,  
the Government of India and the State Govern-  
ments in the formation of an integrated policy  
in the sphere of Rural Credit. Shri A. D. Gorwala  
was appointed Chairman of the Committee of Di-  
rection. The above-mentioned types of workers  
were to receive training as follows: the members  
of the managing committees of rural cooperative  
societies at the "taluka" headquarter for a fort-  
night; the secretaries of rural cooperatives for six  
weeks at the district headquarters; the staff of the  
cooperative institutions and the staff of Coopera-  
tive Department at a separate provincial college,  
which should be established for the purpose and  
be affiliated to universities.

The Rural Credit Survey Committee empha-  
sized in its Report of 1954 the need for training in  
the following words: "On few things will the suc-  
cess of the integrated scheme depend so much  
as on finding the right men and giving them the  
right training". The Cooperative Planning Com-  
mittee therefore recommended that the Govern-  
ment of India should set up a Cooperative Insti-  
tute of Advanced Studies and Research, with at  
least seven sections, as follows:

1. Theory of cooperation,
2. Agriculture cooperation (including animal  
husbandry),
3. Industrial cooperation,
4. Consumers cooperation,
5. Finance cooperation,
6. Cooperative marketing and
7. Statistics.

The Reserve Bank of India has also helped the  
All India Cooperative Training Centre at Poona

to further extend its training facilities. At the  
Poona Training Centre, a Central Committee for  
Cooperative Training has been established. The  
Report of the Rural Credit Survey Committee de-  
scribes the task of the training facility as follows:  
A sufficiency of trained technical and administra-  
tive talent has to be brought into being. Firstly,  
for the whole of that structure of cooperation  
which is concerned with administration, bank-  
ing, marketing, processing, cottage industries,  
etc.; secondly, for the most important sector of  
commercial banking represented by the State  
Bank of India; and thirdly for the semi-govern-  
ment cooperation and auxiliaries represented by  
the All India Warehousing Corporation, the State  
Warehousing Companies and their networks of  
warehouses.

In 1961 the Mishra Study Team on Coopera-  
tive Training, appointed by the Government of  
India, observed that the success of the coopera-  
tive programme was not so much dependent on  
the extent of financial or organizational assis-  
tance given by the Government, but more upon  
the capacity of cooperatives to muster a combina-  
tion of enlightened members, responsible office  
bearers and competent employees.

## TRAINING INSTITUTES FOR COOPERATIVES IN INDIA

Organized steps for the training of government  
officials and employees of cooperative societies  
were taken in 1953 when the Central Committee  
for Cooperative Training was constituted jointly  
by the Government of India and the Reserve  
Bank of India. Presently, there is a four-tier in-  
stitutional set-up for training and education. At  
the national level, there is the Vaikunth Mehta  
National Institution of Cooperative Manage-  
ment in Pune for the training and education of  
the senior and key personnel of the government  
and the movement. Nineteen cooperative train-  
ing centers, located in various parts of the coun-  
try, impart training to intermediate category of  
personnel in general basic course and special  
courses. At the state level, there are 92 coopera-  
tive training institutes for junior personnel. In  
the field of member education, peripatetic units  
are operating at the society level and there is an  
All India Cooperative Instructors Training Centre  
at New Delhi, which conducts basic and refresher  
courses for the trainers engaged in the Members  
Education Programme. The responsibility of im-

plementation of the entire cooperative training and education programme is that of the National Cooperative Union of India. The Government of India, however, provides the requisite funds.

The National Cooperative Union of India actively collaborates with the International Cooperative Alliance in holding international seminars. The Vaikunth Mehta National Institute of Cooperative Management undertakes research and studies of specific problems and prepares case studies. The middle level training centre also makes case studies. India has been playing a significant role in providing training facilities to the cooperative personnel of various countries in South East Asia and Africa. Since the legal and structural frame work of the cooperative movement in a number of these countries closely resembles that of India, the training facilities

provided are of special significance to them. Generally, the trainees come under the

- (i) Technical Cooperation Scheme of the Colombo Plan,
- (ii) Special Commonwealth African Assistance Programme,
- (iii) Technical and Cooperation Schemes of the Government of India,
- (iv) Scholarship schemes of the Committee for Cooperative Training of the National Cooperative Union of India and under
- (v) Various expanded programmes of ILO and FAO.

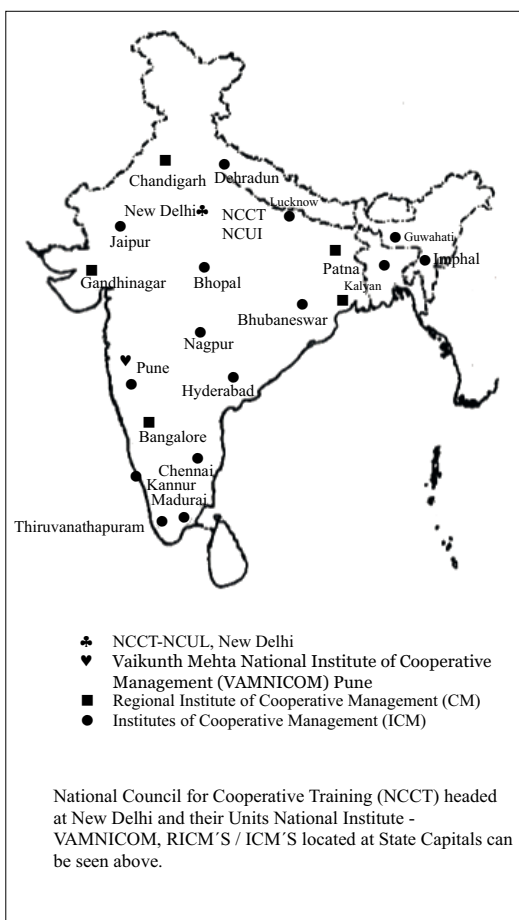
## CONCLUSION: COOPERATION AS AN ACADEMIC DISCIPLINE

Educational training and development programmes should be a response to a need, not merely a reaction to a problem. The management training programme, either for the cooperative sector or for any other of the economic activity should form part and parcel of the management structure itself. Unless it is so, no training programmes can be successfully implemented.

Education is developing inherent abilities and power of students. It is the process by which society deliberately transmits its accumulated knowledge, skill and values from one generation to another. Education in the largest sense is any act or experience that has a formative effect on the mind, character or physical ability of an individual. Cooperatives need professional management to strengthen the services to members. If they appoint educated and trained persons that will pave the way for uninterrupted productivity.

Especially in the southern part of India, few universities and colleges are teaching cooperation at undergraduate level, post graduate level or have Mphil, and PhD degree programmes. The Ramakrishna Mission Vidyalaya Rural Higher Education Institute at Coimbatore started post graduate diploma courses in 1955. Later, the Ganhigram Rural University, Madras University, Pondicherry University, Bharathiar University, Bharathidasan University and Periyar University started conducting such courses at the undergraduate level. Some of the agricultural universities in India also teach cooperation as an elective subject.

What is needed is a bachelor of commerce degree programme in cooperatives. It would mould professionals in order to keep the unique nature



Map: Location map of training units of the National Council for Cooperative Training (NCCT)

Source: NCCT, New Delhi.

of cooperatives alive. This degree programme would enable students to be exposed to the major areas and skills that are required to work at all levels in cooperative organizations. A bachelor of commerce in cooperatives would satisfy the need for academic training to enhance the management and supervisory capability of the cooperative movement and to make for greater efficiency in the operations of cooperative societies.

The success of the cooperative movement depends indeed on "finding the right men for it and giving them the right training." To promote professional management and improve the operational efficiency needs a structured education and training programme. The training programmes must be based upon the requirements of the cooperatives.

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## ANNEX 1. AUTHORS' BIOGRAPHIES<sup>1</sup>

### ANNA DAVIES

Anna Davies is a Senior Research Associate at The Young Foundation, where most of her work has been focused on the theory of social innovation. In particular, Anna Davies has been involved in content managing the Tepsie project, a three year research initiative which aimed at understanding the theoretical, empirical and policy foundations for developing the field of social innovation in Europe. Previously, Anna worked as a Research Manager at the Institute for the Future in California, a research and consulting group that helps organisations anticipate and plan for future disruptions in their industries.

### MATHIEU DE POORTER

Mathieu de Poorter holds a Master of science in development economics from the University of Bordeaux IV/France. He worked for the International Labour Organisation (ILO) on various projects related to cooperatives and social economy. Thereafter he coordinated the Committee for the Promotion and Advancement of Cooperatives (COPAC), which brings together UN agencies and other international organizations. During that time COPAC served as coordinating committee of the UN International Year of Co-operatives 2012. In 2013, Mathieu de Poorter joined the Chamber of social and solidarity economy in Geneva/Switzerland (APRÈS-GE) as project officer on statistics and promotion of social and solidarity economy (SSE) and as PR & Communication Officer. In parallel, he coordinated a European regional observatory project on SSE for the Chamber of Vaud/Switzerland (APRÈS-VD).

Mathieu de Poorter has contributed to several publications on cooperative enterprises and SSE, such as the 2010 and 2011 Readers for the International Labour Organization (ILO) Academy on SSE and the ILO publication on "Co-constructing public policy for the social and solidarity economy", Vol. 3 n° 2, Universitas Forum.

### NICOLE GÖLER VON RAVENSBURG

Professor Göler von Ravensburg teaches socio-economics and social entrepreneurship at Frankfurt University of Applied Sciences in Frankfurt/Germany. She has been researching and consulting in cooperative promotion, cooperative startups and organizational development for the past 25 years, both in developing countries and in Germany. She initiated the transfer project *geno@school* and has been evaluating it continuously since 2007.

### HAGEN HENRË

Hagen HenrË is Adjunct professor of comparative law at the University of Helsinki/Finland and Research director at the Ruralia Institute of that university.

He has published widely on development questions, land law, comparative law and cooperative law and has been a frequent contributor to seminars and conferences in many countries over many years. He is member of several scientific associations and of editorial boards of scientific journals.

Previously he worked at the Universities of Geneva and Saarbrücken, as legal advisor to the German Federal Minister of Economy and he consulted on cooperative policy and legislation in some 50 countries for governmental as well as non-governmental, national, regional and international organizations for more than 20 years. Before joining the University of Helsinki he was Chief of the Cooperative Branch of the International Labour Office (ILO). He is Chairman of the International Cooperative Alliance Co-operative Law Committee.

### PEKKA HYTINKOSKI

Pekka Hytinkoski (M.Sc.edu) is a doctoral student at the University of Turku/Finland (topic: learning in and through student co-operatives). He has worked for ten years as an e-learning coordinator of the Finnish Co-op Network Studies Program (CNS-network) where he is responsible for the production, development and coordination of the program. Earlier (2002-2003) he

<sup>1</sup> The biographies were provided by the authors. The editors extracted the biography of Ian MacPherson from a longer version which his family had made available.

worked at the Jyväskylä Open University in two teams of education and adult education.

### TYTTI KLÉN

Tytti Klén (M.Soc.Sc., communications) has worked as a planner in the Co-op Network Studies Program (CNS-network) at the University of Helsinki Ruralia Institute since 2015, which she had joined in 2007. She trained for many years business advisors and other persons interested in how to set up a cooperative. From 1997 - 2007 Tytti Klén taught and planned training courses for media sector, communications and information technology at the Otavan Opisto adult education center/Finland.

For several years Tytti Klén was the Chair of a media co-operative.

### TAPANI KÖPPÄ

Adjunct Professor em. Tapani Köppä, PhD (soc. sc), retired in 2011 from his position as Professor of co-operative studies and research director at the University of Helsinki Ruralia Institute which he had joined in 2001. Prior to that he had worked as a researcher at the University of Tampere (1967-71), as research assistant at the University of Turku (1971-73), as researcher at the Marketing research institute of Pellervo Society, the Finnish Cooperative Confederation (1973-79), as research director of the rural policy group at Pellervo economic research institute PTT (1979-80), as lecturer of co-operative studies at the University of Helsinki (1980-2001), as research director at the University of Helsinki Lahti research and training centre (1983-86), as senior research fellow at the Academy of Finland (1986-87), and as director of the Institute for co-operative studies of the University of Helsinki (1991-2001). From 2005-2007 he also served as Professor of sociology at the University of Kuopio. He was a member of numerous associations and advisory councils, for example the Board of the Institute for Rural Research and Training of the University of Helsinki (1987-2000), the Committee for Adult Education of the University of Helsinki (1991-1999), the Research Board of the Council of Equality, The Council of the Finnish Government (1982-85), the steering group of the rural policy programme of the Finnish Ministry of Agriculture and Forestry (1988-91), the Finnish Council of Social Sciences, the board of the Development Studies of the Academy of Finland, vice-member of the board of the Finnish Future

Studies Academy, as well as member of the board of the Finnish society for co-operative researchers, Kooperatiivi.

Tapani Köppä's publications cover a wide range of socioeconomic and policy issues of changing rural societies, co-operative entrepreneurship, innovations and evolution of economic co-operation.

### JUKKA KOLA

Jukka Kola began his five-year term of office as Rector of the University of Helsinki in August 2013. He manages the operations of the University and is responsible for the efficient, economic and effective completion of the University's duties.

Thanks to his long career at the University of Helsinki, Jukka Kola has a realistic vision for the development of the University. As Rector, he wishes to promote internationalization at the University by attracting an increasing number of international students and researchers to Helsinki. Because of his former position as Vice-Rector in charge of academic affairs, Jukka Kola is familiar with the diverse characteristics concerning study progress.

Jukka Kola served as Professor of agricultural policy from 1992 until his rectorship. He also served as Dean of the Faculty of Agriculture and Forestry from 2004 to 2009, and Head of the Department of Economics & Management from 2001 to 2003.

Jukka Kola has headed several EU projects on economics policy and has actively contributed to the public debate on international economic and trade policy.

He graduated as Doctor of Science (Agriculture and Forestry) from the University of Helsinki in 1991.

### IAN MACPHERSON

Late Professor Ian MacPherson was nominated Professor with Tenure at the Department of History of the University of Victoria, British Columbia/Canada in 1981. He held this position until 2005. Prior to that he had worked in various positions as researcher and also as a school teacher. He was the founder and director of the British Columbia Institute for Co-operative Studies.

His main field of interest was history, especially that of co-operatives in Canada and other countries, rural and prairie areas. But his interests reached far beyond history. One of his ma-

for concerns was cooperative studies in a holistic approach. His list of publications attests to his extraordinary energy and perseverance; it is very long; it reflects his broad views, his knowledge and his concern for the human side of things.

Ian MacPherson lectured on all continents and was a sought-after speaker at countless co-operative and other scientific events.

He was a member of numerous learned and professional societies, in a number of which he held offices. His list of awards, scholarships, fellowships and honours from the most prestigious institutions in Canada and abroad is long.

Ian MacPherson played a major role in the revision of the cooperative values and principles which the International Cooperative Alliance adopted in 1995.

### ISABELLE SCHULTE-TENCKHOFF

Isabelle Schulte-Tenckhoff is Professor of Anthropology at the Graduate Institute of International and Development Studies in Geneva, Switzerland. Prior to joining the Institute in 2003, she held teaching and research positions in Canada, the United States and France. Her research presently focuses on the rights of indigenous peoples and religious minorities, as well as the cultural dimension of law. In parallel, she has been interested from the time of her doctoral research in a critical appraisal of economic ideology, with a particular focus on ceremonial exchange.

### MARKUS SEPPELIN

Markus Seppelin holds a Master of Social Sciences of the University of Helsinki. He specialized in social policy, social security and social services, co-operation and co-operatives, co-operative development and training, project planning and evaluation and entrepreneurship.

He has been Senior Officer/Ministerial Adviser at the Finnish Ministry of Social Affairs and Health, Finance and Planning Department since 2001. Prior to that Markus Seppelin worked at the University of Helsinki Institute for Co-operative Studies (1993-2001) and as a research assistant at University of Helsinki Department of Social Policy and Sociology (1991-1992).

### KOKICHI SHOJI

Kokichi Shoji is Professor em. of sociology of the University of Tokyo/Japan. He was President of the National Federation of University Co-operative Associations/Japan from 2006 to 2014 and Chairperson of the University Campus Co-operatives Committee of the International Co-operative Alliance Asia and Pacific during the same period.

### ELIISA TROBERG

Eliisa Troberg, Dr.Sc.(Bus.Adm.), works as a researcher and lecturer of co-operative studies. Since 2005 she has worked as an instructor of co-operative studies for the CNS-network Studies Program. From 2005 to 2012 Eliisa Troberg worked as a research director and senior researcher at the University of Helsinki Ruralia Institute. Before joining the Ruralia Institute she worked for five years at LTT Research Ltd. (a subsidiary of the Helsinki School of Economics). Her doctoral dissertation dealt with different organizational forms of knowledge intensive firms (limited liability companies and co-operatives) and their implications for management and leadership. In addition to co-operatives and joint entrepreneurship, Eliisa Troberg's research interest areas are entrepreneurship education and motivation of experts. She has published both in Finnish and in international journals.

### XAVIER L. X. WILSON

Dr. X. Lourdes Xavier Wilson is well-known in academic circles of Bharathiar University, Tamilnadu, India as a renowned teacher and researcher. He has been teaching various branches of management and other allied subjects for co-operation students for more than two decades in the institutions of repute in South India. As an invited speaker he delivered lectures in national and international conferences in India. Dr. Wilson has handled a major research project on Quality of Higher Education in Tamilnadu, and was associated with the University of Helsinki/Finland as Visiting scholar. He presented papers in Africa, Australia, Italy, Finland and Iran.

## ANNEX 2. PROGRAM OF THE SEMINAR



HELSINGIN YLIOPISTO  
RURALIA-INSTITUUTTI

### OSUUSTOIMINTA YLIOPISTOLLISEEN TUTKIMUKSEEN JA OPETUKSEEN HELSINGIN YLIOPISTON OSUUSTOIMINTASEMINAARI

PE 19.10.2012, HELSINGIN YLIOPISTON PÄÄRAKENNUS, PIENI JUHLASALI, FABIANINKATU 33, HELSINKI

#### OHJELMA

- |               |  |
|---------------|--|
| 8.30 - 9.00   | Ilmoittautuminen   |
| 9.00 - 9.30   | <b>Tilaisuuden avaus</b><br>Vararehtori Jukka Kola, Helsingin yliopisto<br>Johtaja Sami Kurki, Helsingin yliopisto, Ruralia-instituutti  |
| 9.30 - 09.40  | <b>Opetusministeri Jukka Gustafssonin tervehdys</b>  |
| 9.40 - 10.30  | <b>Customizing a patchwork quilt: consolidating co-operative studies within the university world</b><br>Emeritus Professor Ian MacPherson, former director of the British Columbia Institute for<br>Co-operative Studies at the University of Victoria, Canada   |
| 10.30 - 11.00 | <b>Tunnustusten jakaminen</b> – Pellervo-Seura ry<br><b>Award ceremony</b> – Confederation of Finnish cooperatives   |
| 11.00 - 11.15 | Kahvitauko   |
| 11.15 - 11.45 | <b>Overview of the program</b><br>Tutkimusjohtaja Hagen Henry, Helsingin yliopisto, Ruralia-instituutti  |
| 11.45 - 12.30 | <b>Success factors for enterprises – homo oeconomicus or homo cooperans?</b><br><b>Yrityksen menestystekijät – homo oeconomicus vai homo cooperans?</b><br><br><b>Homo cooperans: lessons from anthropology</b><br>Professor Dr. Isabelle Schulte-Tenckhoff, Graduate Institute of International<br>and Development Studies, Geneva, Switzerland<br><br><b>Entrepreneurial behavior, company form and success of a firm</b><br>Professori Markku Virtanen, Aalto-yliopiston Kauppakorkeakoulun Pienyrityskeskus<br><br>Keskustelua |
| 12.30 - 13.15 | Lounas (omakustanteinen)   |

- 13.15 - 14.00      **Cooperatives in research and teaching – do we need to rethink our methods?**  
**Osuustoiminta tutkimuksessa ja opetuksessa – tarvitaanko metodien uudelleenarviointia?**
- From “I” to “we” in economic life. Do we need to rethink our education?**  
Professor Dr. Marcelo da Veiga, Bonn-Alfter, Alanus University of Arts and Social Sciences, Germany
- The different working method of entrepreneurship education – enhancing cooperatives from ground level**  
Professori Jaana Seikkula-Leino, Lappeenrannan teknillinen yliopisto
- Keskustelua
- 14.00 - 14.15      Kahvitauko
- 14.15 - 15.15      **Paneelikeskustelu: Mitä on tehty ja mitä on jäänyt tekemättä?**  
Puheenjohtaja: professori Markku Virtanen, Aalto-yliopiston Kauppakorkeakoulun Pienyrityskeskus
- 15.15 - 16.15      **Paneelikeskustelu: Miten tästä eteenpäin?**  
Puheenjohtaja: professori Jaana Seikkula-Leino, Lappeenrannan teknillinen yliopisto
- 16.15 - 16.30      **Seminaarin päätös**  
Yhteenveto päivästä: tutkimusjohtaja Hagen Henry, Helsingin yliopisto, Ruralia-instituutti  
Päätössanat: varajohtaja Pirjo Siiskonen, Helsingin yliopisto, Ruralia-instituutti
- 16.30 - 18.30      **Rehtorin vastaanotto**





## ANNEX 3. BACKGROUND NOTE TO THE SEMINAR

### OSUUSTOIMINTA YLIOPISTOLLISEEN TUTKIMUKSEEN JA OPETUKSEEN HELSINGIN YLIOPISTON OSUUSTOIMINTASEMINAARI 19.10.2012

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#### TAUSTAA

Osuuskuntien taloudellisesta, sosiaalisesta ja yhteiskunnallisesta vaikutuksesta huolimatta osuuskuntia on sekä Suomessa että kansainvälisesti tutkittu vähän, ja siksi ne nousevat harvoin esiin opetuksessaan. Syyt tähän ovat moninaiset. Osuustoiminta ajautui ehkä marginaaliin, kun akateeminen kiinnostus keskittyi lähinnä pääomaorientoituneisiin yritysmuotoihin.

Edellä mainittua yksipuolista kehitystä kritisoineet tahot saavat vähitellen tukea myös kansainvälisiltä yhteisöiltä. YK on julistanut vuoden 2012 kansainväliseksi osuustoiminta-vuodeksi, jonka yhtenä tavoitteena on saada osuustoiminta mukaan tutkimukseen ja opetukseen kaikilla opetuksen tasoilla.

Nyt järjestettävä seminaari, "Osuustoiminta yliopistolliseen tutkimukseen ja opetukseen", on vastaus tähän. Seminaarin aihetta voitaisiin tarkastella neljästä eri näkökulmasta: osuuskuntamuotoiset tutkimus- ja opetuslaitokset, osuuskuntatoimijoiden opetus ja koulutus, osuustoiminta läpileikkaavana teemana yliopistotutkimuksessa ja opetuksessa sekä osuustoimintaopetuksen pedagogiikan määrittely. Väheksymättä kahden ensimmäisen näkökulman tärkeyttä keskitymme tässä seminaarissa kuitenkin kahteen jälkimmäiseen.

Osuustoiminta läpileikkaavana teemana yliopistotutkimuksessa ja opetuksessa on sinänsä selkeä tavoite. "Osuustoiminnallisen pedagogiikan" määritelmää pohdittaessa on taas otettava kantaa siihen, onko tutkimuksen ja opetuksen metodeilla yhteyttä homo cooperans -ihmiskäsityksen paluuseen homo oeconomicus -ihmiskäsityksen rinnalle. Näiden käsitysten rinnastaminen on metafora, jolla halutaan korostaa tarvetta uudenlaiseen ajatteluun, mikä taas puolestaan synnyttää kestäväää kehitystä. Osuuskunta ei ole vain yksi monista yritysmuodoista. Osuuskunnat sisältävät itsessään – tai ainakin niiden tulisi sisältää – laajan kirjon näkökulmia aina taloudellisista kysymyksistä sosiaaliin, mikä tekee niistä hyvin monitahoisen yritysmuodon.

#### TAVOITE

Seminaarin tavoitteena on vakuuttaa tutkijat ja opettajat sekä opetussuunnitelmista vastaavat Suomessa osuustoiminnan merkityksestä opetuksen kohteena. Osana tätä prosessia akateemisen maailman täytyy kohdata käytäntö. Opiskelijoiden on kohdattava opettajat ja kansallisen kansainvälinen..

## COOPERATIVES – FROM IGNORANCE TO KNOWLEDGE SEMINAR, 19 OCTOBER 2012, UNIVERSITY OF HELSINKI

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### BACKGROUND AND RATIONALE

Despite of their economic, social and societal relevance, in Finland as well as in most countries of the world, cooperatives are a little researched and hence little taught subject. The reasons are multifaceted. Probably cooperatives “fell out of sight” when academia started developing a systematic interest in enterprises and, following the (a) quantity turn, concentrated on capital centered enterprise types.

Those who have been critical about this limited view of enterprises have been receiving support for some time now, including from the international community. International instruments, not the least the UN declaration of 2012 as the International Year of Cooperatives, call for the inclusion of the subject of cooperatives into the research and education curricula at all levels.

The Seminar on “Cooperatives – from ignorance to knowledge” is to answer to this call. The subject may be seen under four main aspects: research and education institutions in the form of cooperatives, education and training of cooperators, mainstreaming the subject of cooperatives in the research and education curricula and cooperative pedagogy. Notwithstanding the importance of the former two, the Seminar is to focus on the latter two of these aspects. “Mainstreaming the subject of cooperatives” is self-explanatory. “Cooperative pedagogy” asks whether there is a link between research and teaching methods and the reappearance of the homo cooperans as a companion of the homo oeconomicus. Companionship is the metaphor to underline the need for sustainable development engendering diversity in thinking. More than most other enterprise types cooperatives are not only an element of the diverse world of enterprises, they embrace themselves – or at least they should embrace – a large gamut of aspects, from economic to social, making them a rather complex organizational type.

### OBJECTIVE

The main objective of the seminar is to convince researcher/teachers and those responsible for the curricula in Finland of the importance of the subject of cooperatives. As part of this academia must meet praxis; students must meet teachers; national must meet international.



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